THE JERUSALEM POST

New Israel fighter Page 2

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urope on alert as terrorists oast of poisoning Jaffa oranges

salem Post Staff and Agencies

AVIV. — Sales of Jaffa nges were halted in West lin yesterday and health horities in many European ntries ordered urgent checks fruit stocks after the disery of poisoned oranges in land and West Germany.

Palestinian terror organization med that the poison, which caus five Dutch children to be pitalized last week with stomach rders, had been injected into the nges by Arabs in the adistered territories.

ut Israeli officials here disnted this, saying that the fruit st have been tampered with after eached Europe.

"They were damaged at or very near the point of sales," said Avraham Ben-Meir, director-general of the Agriculture Ministry. "The foreign substance could not have been introduced in Israel. If it had been, the fruit would have arrived rotten and all fruit is inspected upon arrival in Europe.

Five children were taken ill in the Dutch town of Maastricht last week after eating Israeli oranges found to contain small quantities of mercury. They were released from hospital after 24 hours and Dutch health authorities said they suffered no after-effects.

A body calling itself the "Arab Revolutionary Army — Palestine Command" (ARA-PC) claimed in a copy of a letter received on Tuesday at the London office of Reuters that poison had been injected by "oppressed Palestinian workers" in Israeli-occupied territories.

But officials here said no oranges are grown on the West Bank and that oranges grown in the Gaza district are shipped mostly to Arab countries.

The letter, which was addressed to the health ministries of 18 European and Arab countries, said the group's aim was not to kill indiscriminately, "but to sabotage the Israeli economy, which is built up on oppression, racial discrimination and colonial occupation."

The Arab Revolutionary Army first made itself known last October when it claimed responsibility for the killing at Abu Dhabi airport of a United Arab Emirates government minister. It said the intended victim had been the Syrian deputy premier and foreign minister, Abdel-Halim Khaddam, who escaped unhurt.

The Agriculture Ministry's deputy director-general, Yahaloma Shehori, said about 20 oranges had been injected with insoluble pellets of metallic mercury which were not fatal but could cause vomiting.

"Such tampering is easily detectable because of the clearly visible puncture in the peel of the orange," Shehori said. "Most of the oranges contaminated in Maastricht were brought back by the customers."

She noted that other forms of Palestinian economic sabotage had brought temporary damage to Israeli sales, but she expressed confidence that the citrus trade would resume in full strength after a few days.

Ben-Meir said the government had always been aware that agricultural exports might be sabotaged. "All necessary steps have always been taken to ensure the safety of fruit and vegetables and other Israeli exports," he said. He declined to go into details of security measures.

Israeli officials nevertheless appeared concerned at the possible harm that stories of Palestinian sabotage might do to the citrus trade — biggest of the country's agricultural export earners.

The mercury-tainted oranges have so far only been found in Holland and West Germany, but several other countries have also begun or are

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A chemist in the Hamburg Hygiene Institute examines the peel of a Jaffa orange. Five Dutch children were hospitalized with stomach disorders after eating Israeli oranges adulterated with mercury. A Palestinian group has taken credit for the poisoning. (UPI telephoto)

eamen extend strike to ips with vital cargoes

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

IFA. — The seamen unions terday afternoon declared a eral strike on all Israeli ships, inling oil tankers and essential go carriers. The decision to exd the two-week-old selective ke followed the failure of the un to reach a settlement in talks a Transport Minister Meir Amit terday morning.

t the meeting, Amit warned that he seamen stop the flow of vital goes, he will issue emergency k-to-work orders. He said the ernment has the right and duty to p essential cargoes moving and prevent obstruction of the ports.

mit had urged the seamen to urn to work at once and start otiations immediately with the pping companies on their labour tracts for 1976, 1977 and 1978, as ll as on issues regarding the ooth operation of the merchant t. Amit also offered to personally itrate if the seamen were unable reach agreement with the comnies.

seaman countered that Amit's posal sounded exactly like what companies proposed, which he imed had been rejected by both regional and national labour rts.

The companies, meanwhile, vowed aggressive reaction to the seamen's action in extending the strike.

Baruch Schiffman, the spokesman for the seamen, explained in a statement that the decision to extend the strike resulted from Amit's support for the shipping companies' demand for compulsory arbitration to prevent future strikes. They could not acquiesce in compulsory arbitration, he said. He claimed that the seamen's concession to stop the strike and seek "a suitable settlement" was rejected.

Schiffman pointed out that the unions will not call out the harbour pilots at the present time, thus the country's ports will be kept open.

Asked by *The Jerusalem Post* what will happen if the government issues emergency orders, Schiffman said he assumed the seamen will honour such orders. But, he added, the unions will appeal to seamen's unions all over the world to aid the Israeli seamen "forced to work by government orders."

In addition, stringent action is planned against the 21 marine superintendents employed by Zim, who refused to join the strike, although they are union members. The supervisors decided not to join

(Continued on page 2, col. 7)

ny changes in U.S. arms pact ould be 'breach of faith'

By HIRSH GOODMAN
Post Military Correspondent

rael expects America to abide by arms commitments to the coun which were made at the time of second Sinai disengagement eement with Egypt in September 5, a senior military source said terday.

he source added that the comments should in no way be linked the U.S. to the current political cess in the Middle East, and that o so would constitute a breach of st, and failure to implement a ar understanding.

was understood and agreed at time of the disengagement eements, the source said, that el would be compensated for the rn of territory — and thus the going of an element of security — liberal arms transfers from the . Any attempt now to link the gress or lack of progress in the yptian-Israeli peace talks to el's arms requests for the comyears would be a breach of faith, source said.

t the time Israel retreated east of Gidi and Mitla passes and gave k the Abu Rodeis oil fields.

he source made these comments ld reports emanating from shington that Defence Minister r Weizman's trip to the U.S. — aimed specifically to tie together the loose ends of Israel's five-year arms purchasing plan, Matmon C, — would be postponed till early March to give the Americans time to reassess the Middle East situation.

Israeli officials were also worried yesterday that President Sadat's visit to the U.S. at this crucial stage could have a negative effect on American decision-makers, who have always viewed the supply of U.S. arms as a means of pressuring Israel.

Officials here pointed out that the Carter administration was the first ever to renege on a commitment made by a previous Administration — specifically when Carter, soon after taking office, refused to supply Israel with "smart bombs" and the FLIR night-seeing system as approved by the Ford Administration.

Israeli officials confirmed last night that Egyptian pilots are currently training on U.S. F-5E aircraft in Saudi Arabia, and said they are "extremely concerned" about the supply of sophisticated arms to Saudi Arabia from the U.S. — including the 60 F-15 air superiority fighters which, the officials continued, "in the hands of the Saudis are as good as in the hands of Egypt."

Blast in Beirut kills three persons

BEIRUT (UPI). — Unidentified persons hurled a handgrenade yesterday at pedestrians near the downtown Beirut headquarters of the right-wing Phalangist party, killing at least three persons and injuring 18 others.

There was no immediate indication that the attacks were aimed at the heavily-guarded party headquarters.

Police and units from the Syrian-dominated Arab peacekeeping forces immediately cordoned off the area.

Two explosions occurred on Tuesday night near the scene of yesterday's blast, causing some damage.

Locusts again swarming in Middle East

ROME (Reuter). — Locusts, which have not plagued the world for 15 years, are swarming again in the Middle East, an international expert said here yesterday.

"We have reports of ten swarms in Saudi Arabia and North Yemen along the Red Sea coast," Jean Roi of the UN's Rome-based Food and Agriculture Organisation reported.

"We are also expecting some developments in Somalia and Sudan," he added. "In Ethiopia, we have no idea since the situation there is very difficult."

Weizman home today for 'consultations'

By ASHER WALLFISH
Jerusalem Post Reporter

CAIRO. — The second round of the Egyptian-Israeli military talks ended last night at the Tahra Palace here, and Defence Minister Ezer Weizman, who heads the Israeli delegation, is due to leave for home today at 2 p.m.

The delegations met for about four and a half hours yesterday in morning and evening sessions. This morning, Weizman will probably have a closed door private session with his Egyptian counterpart, War Minister Gen. Mohammad Abdul-Ghani Gamasy.

A joint statement last night said the Israeli delegation was returning "for consultations." The next meeting would be co-ordinated by direct contacts between the parties, the statement said.

The discussions during this second round had covered all the main problems on the military agenda.

An Israeli source said both parties had adopted a practical approach during the discussions. But gaps still existed, the source said.

Israel and Egypt will remain linked by a direct telephone connection. Although Aluf Avraham Tamir will go home today with Weizman, he will probably return to Cairo before the full delegation returns for a third round of talks. A team of about a dozen Israelis will remain here.

The third round will probably take place after President Sadat returns to Cairo from his talks in Washington and other capitals.

Weizman yesterday presented Gamasy with an illustrated book on Jerusalem written by Mayor Teddy Kollek and Moshe Pearlman. Mrs. Reuma Weizman and Shaul, the Weizmans' son, viewed the Sakkara pyramids, lunched at the Mena House Hotel, and shopped at the Khan el-Khalili *souq* in the afternoon.

Last night the Weizmans and Gamasy were dinner guests of Mustafa Khalil, secretary of the Arab Socialist Union and president of the Central Bank of Egypt. Mrs. Khalil has been Reuma Weizman's host during the visit.

Premier says Shilo site 'strictly archaeology'

Jerusalem Post Staff

Prime Minister Menahem Begin said last night that the controversial Shilo archaeological site in Samaria was not intended to be a new permanent settlement.

Begin made the remark at a meeting with U.S. Ambassador Samuel Lewis. The meeting, which apparently was overshadowed by President Jimmy Carter's description of the site as an "illegal settlement," was attended by Foreign Minister Moshe Dayan and Agriculture Minister Ariel Sharon.

"I came at the prime minister's invitation," Lewis told reporters after the meeting, adding that Begin had clarified a number of questions about the work at Shilo and three camps set up nearby.

Sharon said that three camps would be settled within three months but they would remain military outposts. "That's exactly what was decided and it won't be more than that," he said.

Sharon maintained that the government has not decided to settle Shilo, adding that only archaeological digs have been permitted there.

Dayan, meanwhile, denied reports that he and Begin had promised Washington that no new settlements would be approved in Judea and Samaria.

Dayan was replying to a parliamentary question by Zalman Shoval (Likud-La'am) — a question presumably initiated by Dayan himself. His reply was as follows:

"In my talk with President Carter in Washington in September, I told him that in my opinion the policy of all future (Israeli) governments, like that of the governments in the past, will be to continue settlements in Judea and Samaria.

"I said, at the same time, that in view of the special situation of intensive peace negotiations now being conducted with the Arab states, the settlements in the coming months would be organized in the framework of military camps.

"My remarks were made on behalf of the Prime Minister."

Dayan to meet Vance in U.S.; may meet Carter

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Foreign Minister Moshe Dayan will definitely meet with Secretary of State Cyrus Vance during his visit to the U.S. next week, informed sources here said yesterday. He will probably also meet with President Jimmy Carter, although such a meeting has not yet been scheduled.

Dayan, who is ostensibly coming on a fund-raising tour for the United Jewish Appeal and Israel Bonds, is seen as being sent to the U.S. at this time to counter the public relations impact of Egyptian President Anwar Sadat, who arrives in Washington tomorrow for a five-day visit. Dayan will appear on TV and will give several press conferences, in addition to meeting with Jewish leaders and others.

Sources here said that the Israel government views the Sadat visit here with apprehension, concerned that the Egyptian leader will score heavily on the propaganda front during the numerous interviews, press conferences and appearances he plans for early next week following his "quiet diplomacy" exercise with President Carter at Camp David, the president's retreat in the mountains of Maryland.

Dayan is scheduled to arrive in New York on Tuesday — the day before Sadat leaves the U.S. for Europe — and to spend the first five

(Continued on page 2, col. 5)

Meir Zorea walks out of DMC

By JOSHUA BRILLIANT
Post Political Reporter

TEL AVIV. — MK Meir Zorea yesterday left the Democratic Movement for Change, but postponed a decision on the future of his Knesset seat.

The DMC intends to demand he resign from the Knesset, and return his seat, should he refuse to reconsider his decision.

Zorea walked out of a faction meeting shortly before it was to elect representatives to the Knesset committees, a move which threatened his seat on the prestigious Foreign Affairs and Defence Committee.

"The fight is not whether I'm elected or not but over the DMC's integrity," he claimed.

Zorea, a hawk, has often clashed with the former members of the "dovish" Shinui group. He complain-

(Continued on page 2, col. 6)

Raul Castro in USSR to discuss Ethiopia

SCOW (Reuter). — Cuban ence chief Raul Castro held talks he Kremlin yesterday with Soviet der Leonid Brezhnev and Soviet ence Minister Dmitri Ustinov.

he Tass news agency report on ir meeting was the first official rd of a vist here by Castro. lomatic observers said he had ost certainly come to discuss the bting in the Horn of Africa.

oth the Soviet Union and Cuba providing military aid to iopia which is fighting Somali ces in the Ogaden desert.

outh Yemen's Prime Minister Ali aser Mohammed also arrived e yesterday. According to stern press reports, his country been an important staging post the supply route used for Soviet s deliveries to Ethiopia.

astro, brother of Cuban Presit Fidel Castro, combines the role armed forces minister with those first deputy premier and first vice-president. He is a frequent visitor to Moscow and was last here in July.

In its report on yesterday's talks, Tass said he and his Soviet hosts discussed the development of Soviet-Cuban relations and "some questions of international affairs of interest to both countries in contemporary conditions."

The fact that Ustinov attended the meeting could indicate Cuba wants help from the Soviet Union in replenishing its supplies, which have been used in an airlift to Ethiopia.

However, Western sources also pointed out it could have been nothing more than a "backgrounder" supplied by Castro for Ustinov and Brezhnev.

"There were rumours that Ustinov himself visited Ethiopia, but they were never confirmed and the Soviet Union said he didn't," said one diplomat.

"Perhaps Castro was in to deliver a first-hand briefing."

Ethiopian diplomats in Moscow have repeatedly denied that Cuba is providing soldiers for the war, insisting the commitment from the Soviet Union and Cuba involves only weapons and techinical assistance.

Sources in Washington have said there are as many as 26,000 Cuban soldiers in Africa, with about 2,000 of them serving as "military advisers" in Ethiopia.

U.S. officials have reported that Castro was recently in Ethiopia to take charge of Cuban forces there, and diplomatic sources in Paris said on January 26 that both he and Ethiopian President Mengistu Haile-Mariam had escaped an assassination attempt two weeks before.

Ethiopian deserters in Eritrea have also reported that Soviet and South Yemeni troops are manning warships, artillery and tanks on the side of Ethiopian troops fighting the Eritrean insurgents.

(See story — Page 4)

Yemeni head in Moscow for talks on Africa

MOSCOW (AP). — South Yemen Premier Ali Naaser Mohammed arrived in Moscow yesterday for talks expected to focus on Soviet-Yemeni relations and the situation in the Horn of Africa.

South Yemen, a Marxist state, is known as one of the Soviet Union's best friends in the strategic Red Sea area. Western diplomats say Soviet ships have increased their use of Yemeni ports since the expulsion of the Soviet navy from Somalia last year.

Yemen is also reported to be supporting the Soviet-backed Ethiopian regime of Mengistu Haile Mariam.

n the first anniversary of the death of my dear husband, our

father, grandfather

BRAHAM FEITEL DICKENSTEIN

here will be a graveside memorial service in the Kiryat Shaul Cemetery on Monday, February 6, 1978, at 2.00 p.m.

A bus for those attending will leave from 24 Rehov Lipsky, Tel Aviv, at 1.30 p.m.

The Family

Peace talks in 'suspended animation'

By ANAN SAFADI
Post Mideast Affairs Editor

The indirect political negotiations and the face-to-face military talks between Egypt and Israel came to a temporary halt last night with the two sides remaining far apart in both forums.

A top-level official last night conceded that gaps between the two countries have not "yet" been narrowed, either in the military talks in Cairo or in the political negotiations being conducted through the U.S.

The official told *The Jerusalem Post* that politically the two sides still differ over the "declaration of principles" — a document designed to guide a comprehensive Middle East settlement.

He said both parties held to their divergent interpretation of Security Council Resolution 242, particularly with regard to the clause concerning Israel's withdrawal from territories the Arabs lost in the 1967 Six Day War. At the same time, he noted that the core of the difference is the Palestinian question and the failure to find a compromise between Egypt's demand for self-determination for the Palestinian Arabs and Israel's self-rule offer.

On the military sphere, the conflict centres on the Sinai settlements and airfields, whose prompt dismantlement Egypt insists on, the official said.

The same official, who asked not to be named, said it would be an exaggeration to say the talks were "nearly dead." The were rather in a state of "suspended animation."

This was in reference to Foreign Minister Moshe Dayan's statement before the Knesset Finance Committee that the Americans are currently conducting their mediation efforts between Jerusalem and Cairo "by way of artificial respiration."

The official said that Jerusalem expects the peace deliberations to resume following the weekend talks which Egyptian President Anwar Sadat will have with U.S. President Jimmy Carter at Camp David, Maryland. Sadat is scheduled to leave this morning for Rabat en route to Washington.

The official said that much depends on whether the Sadat-Carter meeting will bring new developments, particularly with regard to speeding up the negotiating process. He said Jerusalem believes Sadat is going to the U.S. to build up pressure on Israel through a three-pronged strategy — rallying the administration behind his position, pressing his quest for American arms, and mobilizing public opinion in the U.S. behind his stance.

In contrast to speculation in the press, the official said Prime Minister Menahem Begin has no plans to go to Washington in the near future — other than those scheduled for Israel's independence celebrations in about two months.

Meanwhile, U.S. Assistant Secretary of State Alfred Atherton will leave Cairo today for Washington after a two-week tour during which he sought a compromise to enable the political talks, which collapsed in Jerusalem on January 18, to resume.

Atherton is expected to return to

(Continued from page 2, col. 1)

U.S. submits its own draft

By ASHER WALLFISH
Jerusalem Post Correspondent

CAIRO. — The U.S. has worked out its own draft of a declaration of principles to guide future negotiations between Israel and Egypt, and it has completed the process of presenting that draft to both sides.

Neither Israel nor Egypt has accepted that draft. Instead, each country has added its own reservations to the U.S. draft.

Only when the two countries agree on such a declaration will the political committee talks — abruptly called off in Jerusalem last month — resume, according to diplomatic sources here.

This was made clear last night on the eve of the departure for Washington of Assistant Secretary of State Alfred Atherton and Ambassador Hermann Eilts, in connection with the Sadat visit this weekend.

The Atherton exercise of bringing the two countries together wherever possible, at their own request, has been taken just as far as it can until Sadat gets back to Cairo, the sources said.

Egypt has told the Americans, on the eve of the Sadat visit, that it wants them to make even greater efforts to get the political talks under way again. In reply, the U.S. has advised Egypt not to place excessive hopes in pressure being exerted upon Israel, they said.

The U.S. appraisal is that all the outstanding issues, with the exception of the Palestinian, "lie within the range of a solution," as the sources put it. The Israelis talk of "the Palestine issue" while the Egyptians talk "of the Palestine problem," and they do not even agree between them which Palestinians they are referring to.

The diplomatic sources commented: "Sadat made what he believes is a quantum jumpover to peace. He expected Israel to do the same. But Israel did not." Egypt now hopes that an eventual declaration of principles would be sufficiently clear-cut and specific to guide future talks, and perhaps bring Jordan in as well, the sources said.

Begin on Sadat's major demands: 'Impossible'

By HAIM SHAPIRO
Jerusalem Post Reporter

Speaking to one of the most enthusiastic audiences he has faced recently, Prime Minister Menahem Begin last night termed "impossible" Egyptian President Anwar Sadat's demands for a total Israeli withdrawal to the pre-1967 borders and for the establishment of a Palestinian state.

As delegates to the Christian Evangelical International Congress for the Peace of Jerusalem uttered amen and burst into frequent applause, the Prime Minister said that Israel again possessed its land "by the right of Divine Providence." He added that the pre-Six Day War demarcation lines were indefensible and had resulted in the loss of thousands of lives through terror attacks.

A Palestinian state, he said, would soon turn into the central Soviet base in the area. The distance from Odessa to Bethlehem by Russian super-cargo planes was only two hours, he told the 500 participants — Christians who believe Israel is the fulfilment of Biblical prophecy.

"Everything is negotiable except the destruction of Israel," Begin said. "No man or woman will advise us to put ourselves in danger."

Instead, he offered "peace with security," the peace plan which he had presented to President Sadat. "We believe all men of good will throughout the world will support us," he said, noting that President Carter and others of standing in the U.S. had praised his peace plan.

But he added an appeal for renewed negotiations. "Let us sit around the table," he said. "If we do we will come to true understanding and a lasting peace."

He concluded with a call for the free world to remain united. But his appeal, "Let us stand together," was taken literally by the participants who immediately rose en masse. He repeated, "Please be seated, let us stand together."

Today the congress delegates are to go to the Western Wall, where they will publicly affirm their belief that Jerusalem must never again be divided. Tomorrow they will participate in a "ceremony of affirmation" at Masada.

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THE WEATHER

Forecast: Partly cloudy

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	17	4—19	19
Golan	15	8—19	20
Nahariya	28	6—20	19
Safad	39	11—16	18
Haifa Port	22	10—22	22
Tiberias	51	8—23	23
Nazareth	38	11—21	20
Afula	35	4—21	23
Shomron	14	12—24	20
Tel Aviv	48	8—26	20
B-G Airport	38	3—18	20
Jericho	43	7—25	24
Gaza	36	8——	18
Beersheba	18	7—27	27
Eilat	—	9—27	26
Tiran Straits	—	14—25	26

SOCIAL & PERSONAL

Donald Robinson, President of Joint AJDC, last night attended a reception given in his honour by Labour and Social Affairs Minister Israel Katz and Mrs. Aliza Begin, at Beit Shalom in Jerusalem.

The new French ambassador, Marc Bonnefous, laid a wreath on Monday at the cenotaph at the Yad Vashem Memorial Hall. He was received by Yad Vashem Deputy Chairman Dr. Haim Pazner.

Dr. Albert Spiegel, Cultural Attache of the West German Embassy, yesterday presented the Jewish National and University Library with a gift of 200 books in German.

The World President of Skal, Salvador Buendia, of Malaga, Spain, has awarded honorary membership in the Skal Club of Malaga to Haim Wollnermann, past national president of Skal of Mt. Carmel.

DEPARTURES

Ehud Avriel, to London, for a week's information mission on behalf of the Foreign Ministry.

PEACE TALKS

(Continued from page One)

Jerusalem next week to resume his mediation efforts, barring a decision by Carter and Sadat to recommend new moves for accelerating the peace process. Atherton yesterday conferred in Cairo with Sadat and his top aides.

The assistant secretary earlier met with Foreign Minister Mohammed Ibrahim Kamel who put forth Egyptian ideas countering those of Israel on the declaration of principles.

"The foreign minister gave me some of the Egyptian government's ideas on the draft declaration and we will be reflecting on this to see where we go from here," Atherton said, while conceding that there are still differences "to be overcome."

Egyptian spokesmen were quoted as describing these differences as "*big gaps.*" *One spokesman* indicated that Egypt came pretty close to asking the U.S. to formulate its own "set of proposals" to compromise between the Cairo and Jerusalem positions.

A new Egyptian left-wing newspaper, "al-Ahali," yesterday called for a halt to all contacts with Israel and urged re-opening of a dialogue between Cairo and Moscow. It is time to try another approach, said the paper, in referring to "the faltering steps" of Sadat's peace initiative to Jerusalem.

In Algiers, representatives of four hardline Arab states last night reportedly agreed on an anti-Sadat agenda for their heads of state due to meet *there today. The states are* Algeria, Syria, Libya and Southern Yemen. The Palestine Liberation Organization (PLO) will also take part.

Kiryat Yam given two kindergartens

Jerusalem Post Reporter

KIRYAT YAM. — This bayside town of nearly 30,000 residents yesterday received two kindergartens donated by Victor and Behna M. Levin of New York City. The Levins attended the dedication in the presence of Mayor Binyamin Efrat, representatives of the government, Jewish *Agency, the UJA's women's division* leadership mission and the Israel Education Fund of the United Jewish Appeal.

Israel urged to develop new fighter plane by mid-80's at cost of $440m.

By HIRSH GOODMAN
Jerusalem Post Military Correspondent

A special Knesset sub-committee for arms production and acquisition recommended yesterday that Israel go ahead and produce a third generation warplane — the Arye.

The sub-committee, which is part of the Knesset Foreign Affairs and Defence Committee, recommended that work on the plane start immediately, and that supply of the fighter start no later than the mid-1980s.

The recommendations came as no surprise in military circles here, but they are far from binding on any decision-making body in the country. *The recommendations* are compatible with the expressed beliefs of Prof. Moshe Arens, the committee's chairman and former senior Israel Aircraft Industry employee, who has been a vocal proponent of building a successor to the Kfir.

According to the committee's findings, the plane's development should take between seven and eight years and should cost in the region of $440m.

Both these assessments were described to *The Jerusalem Post* last night as "highly optimistic and highly conservative."

The IAI has already spent close to IL300m. on preliminary drawings of the Arye, and the IAI management has tried to keep the research and development team which produced the Kfir working together — albeit at a snail's pace — on the new plane.

The question of whether to produce a third generation Israeli fighter plane has rocked the defence establishment for over three years. Israel has placed an order for *a reported 250 F-16 fighters — in the hope of receiving* half that number — from the U.S., and it is highly unlikely that the Defence Ministry will commit itself at this stage to undertaking a parallel expenditure to develop its own version of the F-16.

It had been hoped that the IAI would be granted considerable co-production rights on the F-16, but this was refused by the U.S. manufacturer, General Dynamics, on the pretext that the F-16 was being produced by a consortium of European countries and could not be licenced out to further sub-contractors.

Nobody questioned by *The Post* last night took issue with the committee's feeling that the production was important to Israel's security and to re-enforce the country's industrial and economic infrastructure. Nobody questioned the truth of the findings that not to produce the plane would have, in the ultimate analysis, a damaging effect on the overall technological capability of the IAI. But these reasons alone, some critics argued, could not alter the fact that the production of the plane, and the diversion of an estimated $500m. for the purpose, was a desirable but unattainable luxury.

It also was pointed out that the $440m. development cost did not include the cost of developing an Israeli engine for the plane, and the experience of the Kfir showed that the production of an Israeli plane without producing an Israeli engine was affording Israel little more than an "illusion of independence."

(Israel was prevented from selling the Kfir to Ecuador last year by the U.S. because the plane uses a J-79 engine, which the U.S. prevented from being transferred to a third party.)

Officials yesterday did not expect the committee's decision to have any direct bearing on an inter-departmental study currently in progress on the future of the Arye project. The Ministries of Defence and Finance, as well as at least a dozen other bodies, are currently preparing position papers on the subject. These are due to be presented to the government for consideration within the next month.

'77 was good year for advertisers

TEL AVIV (Itim). — The Israeli economy spent IL894m. on advertising in 1977, more than 60 per cent above the figure for the previous year. It was a record rise in real terms, after accounting for higher costs, executives of the Israel Advertisers Association told a press conference at Beit Sokolov yesterday.

At the same time, the association claimed Israel still was behind most western countries in spending for advertising. In the U.S. and Europe advertising accounts for 2 per cent and 1.5 per cent of the gross national product respectively, as compared to Israel's 0.68 per cent, it was stated.

Last year's election campaigning contributed appreciably to the record rise. Other large advertisers in newspapers — still the largest ad media — were banks, amusement enterprises, textile firms and cigarette distributors, the *breakdown figures showed.*

Members of the Association handled 85 per cent of the advertising cake, it was claimed.

Some of the gamblers were cheating

TULKARM (Itim). — IL45,000 and a large sum in foreign banknotes — including some counterfeit bills — were confiscated from a gaming-table in a police raid here this week, and 13 persons were detained on charges of illegal gambling.

Seven of those held are Jews, the others residents of the administered areas.

The haul included Jordanian dinars, French francs, German marks, and Canadian and American dollars.

Of the dollars seized, several hundred were found to be counterfeit, and a separate investigation is being conducted as to their source.

The raid, in the home of a local resident, followed the suspicious comings-and-goings of the many *Jewish visitors.*

Owen: Jews concentrate too much on own rights

LONDON (Reuter). — British Foreign Secretary David Owen yesterday advised Jews to lobby for human rights of other groups as well as their own.

Dr. Owen, in a speech prepared for delivery to the Zionist Federation of Great Britain and Ireland, stressed the need for universal application of agreed standards of behaviour.

He said that the principle of universality seemed to him to have implications for the Zionist Federation. "It is, of course, entirely right and *understandable that in fighting for* human rights Jewish groups should concern themselves mainly with Jews in Communist countries.

"But the fact that this concern is displayed so conspicuously and at times almost exclusively in the cause of Soviet Jewry does, in my view, tend to limit the effectiveness of the group's concern and may even cause some resentment among those who are competing for public sympathy and support on behalf of equally deserving cases which do not involve Jews," Owen said.

Goodbye, Mr. Chip

BEN-GURION AIRPORT (Itim). — The 425-strong "Friendship Force," from Hartford, Connecticut, which included President Jimmy Carter's son Chip and his wife Caron, left yesterday by El Al for the U.S. after a 10-day visit.

A U.S. embassy press officer did not permit newsmen to interview Chip Carter prior to take-off.

'Yeshiva students' held in theft

TEL AVIV (Itim). — Three men suspected of stealing sewing machines, electrical appliances and jewellery in Bnei Brak were *remanded into 10 days'* custody by a magistrate here yesterday.

The police investigator said the three posed as yeshiva students and broke into homes in the religious neighbourhood on Friday nights when there is no police patrol in the area.

Remanded yesterday were Reuven Malka, 20, Yoel Yidai, 21, and Tosef Tana'ami, 21. Police, who say they found IL100,000 worth of goods in a flat in Rehov Haim Perl, are looking for more suspects in the thefts.

COFFEE, whisky, and cigarettes worth about IL1m. were stolen from a *wholesaler's warehouse near* Haifa Port on Tuesday night — in one of a recent series of burglaries in the area, police said.

Mapam team to visit Rumania next month

Jerusalem Post Reporter

TEL AVIV. — Mapam Secretary-General Meir Talmi and Political Secretary Victor Shemtov will visit Rumania at the beginning of next month, the party reported last night.

Mapam is the third political party *to be invited by Bucharest. A five-*member Rakah (New Communist List) delegation headed by party spokesman Uzi Burstein arrived in Rumania yesterday. The Labour Party has also been invited, but has yet to decide on the composition of its delegation and the date of its visit.

The invitation to Mapam was conveyed by Rumanian Ambassador Ion Covaci, the party said. Rumanian Embassy sources last night confirmed the invitation.

Izhar Harari ex-MK, at 69

TEL AVIV (Itim). — Izhar Harari, who was a member of the Knesset for 25 years, died yesterday morning at Ichilov Hospital. He was 69.

Harari, who was born in Jaffa, studied at the Gymnasia Herzliya, the Sorbonne, L'Ecole de Science Politique in Paris and the London School of Economics.

He was a correspondent *for* "Ha'aretz" in Paris, then returned to Israel to work in law. He joined *the Hagana in 1923, serving even*tually in the high command and as legal counsel.

Harari was elected to the First Knesset on the Progressive Party list and then switched to the Independent Liberals. He remained through the Seventh Knesset.

The funeral will leave today at 3 p.m. from the Municipal Funeral Parlour in Rehov Dafna, Tel Aviv.

THE ZIONIST Youth organization in Israel will hold its second congress in Jerusalem's Binyanei Ha'ooma on February 12. The congress will vote on a proposed set of regulations for the organization, and elect a new chairman and other officials.

Gaza mayor backs Sadat peace moves

Jerusalem Post Reporter

Gaza Mayor Rashad Shawa yesterday for the first time endorsed publicly President Sadat's peace initiative, explaining that it meant recognition of the legitimate rights of the Palestinians.

He also welcomed the idea of Palestinian self-rule in the West Bank and in the Gaza Strip — under international supervision — for a transition period of four to five years, "to please the Jews and the Israelis and to prove that a small Palestinian state would not be a monster and would not threaten Israel."

Speaking in an interview with Israel TV, Shawa stressed that granting self-determination to the Palestinians would mean that a Palestinian state in the West Bank and in the Gaza Strip would eventually come about. There was no *reference to any role for the PLO or* any mention of the PLO by Shawa in the entire interview.

Gush Emunim says families waiting to enter Haris

By JOSHUA BRILLIANT
Post Political Reporter

TEL AVIV. — Gush Emunim complained yesterday that the government is slow in allowing civilians to move into Haris in Samaria. It also said it did not intend to settle Tapuah and Silat edh Dhahr where military outposts were established recently.

Gush Emunim's political secretary, Gershon Shafat, told *The Jerusalem Post* that 30 immigrant families from the Soviet Union are waiting in Elkana (formerly Mas'ha) for permission to move to Haris. Some 300 families of employees of the military industries are also waiting for permission to move, he said.

Although the government claims the site is not ready, Shafat insists the delay is due to "technical reasons" only.

(The Post learned yesterday that there have been no budgetary allocations for construction at the new sites.)

Shafat said the government should find settlers for Tapuah and Silat edh Dhahr.

In a separate development, the Ministerial Committee on *Settlements and World Zionist* Organization yesterday approved establishment this year of four new moshavim in the Galilee. Two industrial moshavim will be in the Tefen area and two agricultural moshavim will be in the Zalmon region.

AACI to back Horev report

Jerusalem Post Reporter

TEL AVIV. — Some 250 delegates representing 10,000 dues-paying members will convene in Netanya next Sunday for the 21st annual convention of the the Association of Americans and Canadians in Israel.

The two-day meet is expected to go on record as supporting the Horev Committee's recommendation to establish an overall Absorption Authority to exercise the functions now carried out by the Absorption Ministry and the Jewish Agency.

Outgoing AACI president, Yitzhak Heimowitz, told a press conference yesterday that of the 3,000 North American immigrants who arrived *annually in recent years, 44 per cent* returned. They were mostly single persons, he said, explaining that families are more easily absorbed.

Reacting to criticism that "kibbutzim always tell us that we fail to look after American kids as the British and South African associations look after theirs," Heimowitz said: "The fact is that we simply have no budget for field workers."

A $500,000 annual grant would make AACI "a more successful organization," he stated, and disclosed that of the association's IL2.25m. budget about 60 per cent is covered by the members.

Iraq stops oil supply to Turkey

ANKARA (AP). — Iraq has stopped crude-oil shipments to Turkey since the beginning of the year because of a dispute over payments, Turkey's Anatolia news agency reported Wednesday.

Quoting foreign ministry officials, the agency said negotiations were continuing between the two countries towards resumption of oil flow.

President Anwar Sadat, right, shakes hands with Rabbi Joseph H. Ehrenkranz of Stamford, Connecticut, who led 37 Jews and Christians on a private ecumenical mission to Cairo. The group is arriving in Israel today for a five-day visit. (UPI telephoto)

Treasury to bail out cities soon — but not completely

By SHLOMO MAOZ
Jerusalem Post Reporter

The Treasury will give the local authorities the IL500m. it owes them within a week, it was announced in the Knesset's House Committee yesterday. The committee will meet next week to determine whether the grant has eased the authorities' financial straits.

The authorities have said they need IL1.5b. to break out of a vicious circle. The Treasury has held up payments to them in an attempt to moderate the injection of currency into the economy. Without funds, the authorities have had to secure bank loans even to pay salaries. Then the *Treasury forbade such loans, which* are usually linked to the cost-of-living index and carry a high rate of interest.

The Interior Ministry suggested that the Finance Ministry raise the value added tax by an additional one per cent, abolish various municipal taxes and add IL1b. to bail out the authorities by covering the deficit for the next few years.

The Treasury rejected that proposal, refusing to raise VAT any *further, and suggested that the* authorities raise municipal rates (Arnona).

The matter was brought up this week in a motion for the Knesset agenda by Moshe Katzav (Likud) who said the cities are in financial peril.

Finance Minister Simha Ehrlich repeated yesterday that the Treasury would not grant the cities the IL1.5b. they request. Nor is there a need to raise municipal rates by much, he said. Significant savings could be achieved through more efficient management, he suggested adding that the Treasury would approve only 700 of the additional 2,600 jobs the local authorities have asked for in the new budget.

DAYAN MAY MEET WITH VANCE

(Continued from page One)

days there before flying to Chicago, Los Angeles and Miami for major fund-raising addresses. After his Miami appearance, the Foreign Minister is expected to come to Washington.

Sadat, after his weekend talks with Carter, will fly by helicopter to Washington, where he is due to remain until Wednesday. He is scheduled to address the National Press Club on Monday, and to hold an open news conference on Wednesday. In addition, he will grant several nationally televised interviews.

What bothers Washington, however, is that this "public opinion battle" between Egypt and Israel may disrupt the delicate negotiations currently underway. Egyptian officials are understood to resent the decision to send Dayan while Sadat is still in the U.S.

Officials here said they were taken by surprise by the decision to send Dayan at this time. "Quiet diplomacy looks like it is going to become rather noisy," one official here commented.

It is also understood here that Dayan will be spending a lot of time meeting with Jewish leaders, who are also being courted by Egypt in the battle for diplomatic support. Egyptian Ambassador Ashraf Ghorbal, for example, invited World Jewish Congress President Philip Klutznick and other selected Jewish leaders to a private meeting with Sadat early next week.

But the Conference of Presidents of Major American Jewish Organizations voted on Tuesday not to endorse any meetings between American Jewish leaders and Sadat unless the Egyptian invitation was specifically addressed to the Presidents' Conference, which represents nearly all of organized American Jewry. If such an invitation is forthcoming, it is likely that Sadat will have a meeting with the Jewish leaders.

It was not clear yesterday whether Klutznick will go ahead with the meeting if an invitation to the Presidents' Conference is not forthcoming.

Sadat wrote an open letter last Sunday to the American Jewish community seeking their support in the negotiations with Israel. Rabbi Alexander Schindler, chairman of the Presidents' Conference, flew to Cairo last month for a meeting with Sadat.

Presumably, Dayan will try to *counter the bad press Israel has* received in the U.S. on the settlement issue. In addition to irritating government officials here, Israeli actions on the settlements — both the new ones on the West Bank as well as the existing settlements in Northern Sinai — have caused damage to Israel's image among Americans.

The State Department yesterday said that U.S. Embassy officials in Israel have been asked to look into press reports that Israel is going ahead with three new settlements on the West Bank, in addition to Shilo.

American officials say that Dayan's statement in the Knesset yesterday merely confirmed what President Carter had disclosed earlier in the week, that the Foreign *Minister had promised the U.S. last* September that Israel would not establish any new civilian settlements in the immediate future so long as negotiations with the Arab states are continuing. Carter had said that Israel would use existing military camps for the settlements.

American officials are upset over the "archaeological settlement" at Shilo. They do not accept Israel's contention that the settlement is not "political" or "authorized" but merely "archaeological."

"You normally don't dedicate cornerstones at archaeological sites," one official here said. "You dig them up."

ZOREA

(Continued from page One)

ed yesterday that a campaign has been launched against him in the *Council, party branches, and in* public accusing him of breaking faction discipline.

These claims, which he believed stemmed from the Shinui group, were based on his support for establishment of new settlements in Judea and Samaria when the issue came before the Foreign Affairs and Defence Committee.

Yesterday's election of a new executive was part of a deal between Party leader Yigael Yadin and Amnon Rubinstein, to prevent a breakaway of former members of Shinui. The council resolved to "re-examine" membership in the Knesset committees. But the council did not call for "re-election" of the committee members, and when Zorea was told such an election is coming — he announced he was quitting the movement

Yadin followed him to a lobby but failed to persuade him to rescind his decision. Yadin said he will try again, arguing that Zorea was prompted by a misconception of the purpose of the new election.

TRAMPLED. — A convict was trampled to death and a Turkish police colonel was wounded by a stray bullet when militia troops opened fire to quell a revolt in a Turkish state prison yesterday.

The convicts rioted following the death of a fellow inmate from tuberculosis.

SEAMEN

(Continued from page One)

the strike, by an overwhelming m jority, because they saw the strike ruinous for the company. The unio said they will not allow the sup visors to board ships, which w make their work impossible.

In reaction to the general str move, the director of the Shippi Companies Association, Shlo Erel, said that dismissal notices w be sent this morning to the men *all the striking ships*, with the exce tion of those carrying vital carg and the small number of men need to man each ship. If the men ref to vacate the ships, their pay wil stopped anyway, he said. Men w have tenure will be sent vacat notices.

Erel stressed that the intensit strike will aggravate the hea losses already suffered by the co panies and will reduce the chan for rehabilitating the fleet and p ment of increases when the str ends.

Zim General Manager Yeh Rotem told *The Post* that the co pany will now be forced to use reserves earmarked for paying seamen's increases to cover mounting strike losses. These fig total tens of millions of pounds, said. Zim will also continue the s of unprofitable outdated ships. was learned that the first sale of of the seven vessels put on market was made yesterday.

Shipping circles speculated yes day that the unions' move was attempt to involve the governmen the dispute, in order to provide th with a way out of the dispute wit total surrender. They hadn't reali that they would be unable to fo the companies to abandon their p tion, it was said.

The first Israeli flag ship to en Haifa port since the strike broke was allowed in yesterday. She the 30,000-ton grain carrier, Dal owned by the Rosenfeld Comp which is exempt from the st because it agreed to st negotiations with the unions wit any prior conditions.

ORANGES

(Continued from page One)

planning to institute checks *Israeli citrus products.*

Zvi Kenan, managing directo the Citrus Marketing Board, s sales had dropped in West Germ after government authorit cautioned the public against buy *oranges.*

Denmark's largest supermar chain also announced it would s pend sale of Jaffa oranges until k health officials had completed specting stocks. But Kenan clai sales remained normal in Belgi England, Switzerland and the Sc dinavian countries.

Kenan said his group had s messages to all European out assuring them that the market board will assume all resp sibilities over the oranges.

He said he received messa from Europe telling him the buy supported Israel.

Israel had expected to export million tons or 50 million crate citrus this year at a value of $20

About 22m. crates already been shipped and sold by yeste a marketing board spokesman s

In addition, 80,000 tons of cit are shipped by Gaza farmers to A *and Eastern European countries*

Hyam Corney adds from Lond

As soon as the news reached h yesterday morning, the UK he quarters of the Israeli Citr Marketing Board began mountin campaign aimed at *stopping the p* ic that was being created by reports. The news was featu prominently on radio and televis news bulletins and on the front pa of London's two afternoon pap The "Evening Standard" made it lead story, with later headli reading: "London Hunt for Poiso Oranges."

The board was at pains to point that none of the oranges poisone Europe could possibly be in Brit as all British imports are ship directly from Israel.

Board officials are neverthel concerned about the effect that panic might have on sales. "course we're worried," I was t "The reports have done enoug make people panic."

But the fears may pro groundless. From my own inqui at a number of fruit shops in cen London yesterday afternoon, appears that there has been adverse public reaction so far. the shops had sold as many Jaffa they normally do and none was c templating reducing its orders. one or two retailers did point out it was a little early for consu *reaction. The real test would co* within the next couple of days.

SINGLES in the Haifa area speak English have organise singles group with a mailing lis *over 380 people for entertainm* and cultural events. Duri February the group will meet ev Saturday evening at 8 o'clock Moadon Goldbloom, 124 Sde Hanassi, Haifa.

MOBUTU. — President Mobutu S Seko of Zaire arrived in Bonn fo three-day state visit yesterday was assured that West Germany ready to work out an econo development programme for African country.

Court rules that reporters' probe is admissible as evidence

In a leading judgment yesterday, Jerusalem District Court Judge Eliezer Goldberg ruled that two journalists who investigated the director of the Israel Government Coins and Medals Corporation, Yitzhak Avni, before he was arrested on suspicion of fraud and forgery last year, are *entitled to cite their findings in* evidence against Avni.

The two journalists concerned, Yitzhak Deutsch of "Ma'ariv" and Zvi Kessler of "Yediot Aharonot", had interviewed Avni in January 1977. They published in their papers information concerning a document which had allegedly been forged to make a IL2.4m. sale appear as though it had been concluded at prices current prior to July 1, 1976, when it had in fact been concluded after that date.

When the prosecution called Deutsch and Kessler to the witness stand yesterday, Avni's counsel, Moshe Ben-Ze'ev, vigorously objected to their testifying. Ben-Ze'ev told the court that the two journalists, acting on rumours, had taken it upon themselves *to* investigate Avni instead of going to the police.

"A newspaper investigation of the accused should be ruled invalid," Ben-Ze'ev claimed. "This amounts to a trial by the press. When a *suspect is questioned by the police,* he is warned of his rights. Why should reporters be allowed to act differently? They submitted Avni to psychological pressures, and he broke down and lied. And this is what is going to be presented as evidence."

The Jerusalem District Attorney, Michael Kirsh, rejected the defence counsel's objection. "Reporters," he stated, "are entitled to ask questions and find out facts. This is part of *their job and is sanctioned by our* society. They were not carrying out an official investigation. What happened was that they heard about a guarantee which could not be found and which had been marked with the wrong date. This happened in a government, publicly owned co *pany...and the director of such* company is obliged to answ questions to the press, and to count to the public."

The court accepted that evidence to be offered by the *journalists could not be ruled out* court simply because it was based an interview with Avni before police had begun to investigate. T court will explain the ruling w delivering its verdict, the jud said.

Deutsch and Kessler will tes when the trial resumes on Mond (Itim)

A Memorial Gathering
commemorating the thirtieth day after the passing of

LOUIS D. HORWITZ

will be held
today, Feb. 2, at 5.00 p.m.
in the Jerusalem Municipality Hall

All who cherish his memory are invited to attend

The American Jewish Joint Distribution Committee JDC-Israel — The Jerusalem Municipality — The Israel Association of Community Centres

MINDRU KATZ

is no more.

The public may pay last respects on Thursday, February 2, 1978, at the Music Academy, Tel Aviv University, Ramat Aviv, from 1.30 to 2.30 p.m.; the funeral will leave from there for Herzliya Cemetery.
A bus will be available for those attending.

His Wife, Daughter, Mother Sister, and all the family

Our dear

RUSIA LAMPEL

is no more.

The funeral has already taken place.
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Sisters, Dr. Klara Perlberger
Dr. Malka Schlam
and the family in Israel and abroad

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After DMC votes with opposition

Coalition loses on national service vote

Post Knesset Reporter

The coalition was defeated in the Knesset yesterday when the Democratic Movement for Change united with the Alignment on a bill that would require women exempted from military service on religious grounds to perform alternative national service.

In retaliation, the National Religious Party Knesset faction announced that it would cease cooperating with the DMC on electoral reform. The NRP has not been enthusiastic about changing the election system, but the DMC has vowed to bring this about.

Yesterday's private member's bill by Chaike Grossman (Alignment-Mapam) would require the labour and social affairs minister to promulgate regulations for the enlistment of military-exempt women for national (non-military) service.

The vote was 39-39, and Deputy Speaker Shoshana Arbeli-Almoslino announced a recount. A few more MKs were quickly summoned, and the recount showed 41 in favour of the bill and 40 against. Shelli and the Civil Rights Movement also supported the bill, which now goes to committee. The bill will probably die there, even if the DMC continues to support it.

Formally, the bill is an amendment to the National Service Law of 1953, which authorizes, but does not require, the minister of labour to issue the necessary regulations. No minister has ever done so.

The reason, as Dr. Israel Katz, the present minister, explained in his reply, is the clause in successive coalition agreements providing for the retention of the status quo in this matter' i.e., that national service shall be on a voluntary basis.

That reason, Katz said, still applies today, since the current coalition agreement contains a similar provision. He moved that the bill be returned to its sponsor.

Katz said that in 1977 some 850 young women exempted from military service on religious grounds volunteered for one year's national service. Katz said that the number volunteering for two years had risen lately, but he gave no figures on this.

In the past few months, Katz said, his ministry has been in contact with other ministries and other interested bodies in an attempt to increase the number of volunteers for vital national tasks.

One decision already taken was to post social workers in the army enlistment offices. One of their jobs will be to talk to the young women who are granted religious exemption from military service and direct them to places where they can perform national service.

In presenting her motion, Grossman said the failure of successive ministers to issue the necessary regulations was a distortion of the law and gave a governmental imprimatur for thousands of girls to evade not only military service but also the alternative national service that had been designed for them. The few hundred girls who do volunteer constitute only a small proportion of the total, she said.

DMC faction secretary Eli Malin told *The Jerusalem Post* that under the coalition agreement members are free to vote as they please on religious issues. But he admitted that the faction had not given advance notice to the coalition executive which met on Monday to decide how the coalition would vote on the week's motions for the agenda and private members' bills. The DMC representative was absent from that meeting because a DMC faction meeting was taking place at the same time, he said.

The NRP faction secretary Arye Hahn told reporters that the clause providing for free voting on religious questions was not meant to be an automatic right that could be resorted to "from an ambush." It could be invoked only after due notice to the coalition executive, whose approval is required. Perhaps the question of national service is not "a religious question," but that is something a faction could not decide unilaterally, Hahn said.

NRP faction chairman Yehuda Ben-Meir has sent a letter to coalition chairman Haim Corfu, saying that in view of the DMC's action, the NRP sees no point in cooperating with them in the committee considering a change in the electoral system.

The NRP will insist on adherence to the clause in the coalition agreement stipulating that no coalition bill calling for a change in the election system would be submitted to the Knesset, except with the approval of all coalition partners, Ben-Meir wrote.

He added that the concept of a free vote applies only to individual MKs. When an entire faction organizes to vote against the government, that is an out-and-out *faction* decision.

The Agudat Yisrael faction announced that it would "draw conclusions" with regard to the DMC's action.

Knesset rejects motion on invasion of privacy

Jerusalem Post Reporter

The Knesset yesterday defeated a motion for the agenda by Eliahu Speiser (Alignment) concerning the invasion of privacy stemming from computer data about individuals, which he claimed is too easily available to others.

Speiser also stated that the individual has the right to know what information about him is in the hands of the authorities, in so that he could "react and correct" this material.

Justice Minister Shmuel Tamir, in moving for the motion's defeat, replied that his predecessor in August 1974 had appointed a committee, headed by Supreme Court Justice Itzhak Kahan, to examine ways of protecting the privacy of the citizen.

The committee submitted its recommendations on October 25, 1976, Tamir said, and these had been incorporated in a draft law which he plans to submit to the Ministerial Committee on Legislation and, in due course, to the Cabinet and the Knesset.

Tamir said the committeee had considered the issues raised by Speiser. But, he said, the committee recommended that, in view of the special expertise needed on the subject of controls over computer information, it had decided not to include that subject in the draft law. Instead, it was proposed that a small committee of experts be named to study this question.

Tamir reported plans to appoint such a committee soon. In the meantime, he noted, Article 210 of the draft law makes it an offence to knowingly use information about an individual's affairs, or to reveal this information to another, for purposes other than that for which the information was given.

Minorities soldiers' housing problem raised

Jerusalem Post Reporter

The housing problem of discharged soldiers of the Druse and Circassian communities was raised in the Knesset on Tuesday by Amal Nasr el-Din (Likud-Herut).

In a motion for the agenda, he said that these soldiers' faithful service to the nation was not adequately rewarded. He urged that the Druse and Circassian villages be included in the list of localities entitled to special treatment.

Construction and Housing Minister Gideon Patt said that discharged soldiers who possess land for building are aided with loans for new construction, expansion of existing buildings, and refurbishing. For Druse and Circassian soldiers without land of their own, his ministry, in cooperation with the Lands Administration, is now planning new neighbourhoods, linked to existing villages, Patt said.

The question was referred to committee.

More greenery for Upper Galilee

Jerusalem Post Reporter

ACRE. — President Ephraim Katzir yesterday joined 3,000 pupils from Israel and abroad to plant trees in the Jewish Child's Forest not far from the Christian Arab village of Ikrit, abandoned during the 1948 War of Independence.

The chairman of the Jewish National Fund, Moshe Rivlin, announced that a million trees would be planted in the forest. First replies have been received to 50,000 invitation the JNF sent to Jewish children in the Diaspora to come and plant a tree. Paired with Israeli children, they will also plant trees in memory of the children murdered in the Holocaust.

A small group of former Ikrit villagers, who have long been waging a public campaign to return to their village, held a demonstration at the ceremony, carrying placards that said "Do justice with us in the land of justice." The villagers claim that the forest is being planted on village lands, and asked the president not to attend the ceremony. But the JNF claims the land is government owned.

At a festive dinner at the village of Shula after the ceremony, Meir Shamir of the JNF said that during the next five years IL500m. will be spent to establish 15 new settlements in Galilee, with another IL175m. earmarked for planting 30,000 dunams of forest.

Finding the limousine

Post Knesset Reporter

Deputy Minister Yoram Aridor yesterday replied to a parliamentary question by Yehezkel Zakai (Alignment), who asked whether he thought it proper to have placed his official automobile and chauffeur at the disposal of the director of his bureau while he was abroad for several weeks on an Israel Bonds mission.

Aridor replied that he had made the services of the car and the chauffeur available to his bureau to help it perform its normal work during his absence. He said he saw no reason why the car should not continue to serve his bureau when he is away.

Local psychologists threaten strike

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — Some 800 educational psychologists employed by the local authorities will meet here today to decide whether to strike over their demands for in-service training.

Mordechai Gani, secretary of the Histadrut Academics Union told a press conference yesterday that the dispute arose over a new law requiring psychologists with B.A. degrees to work under the guidance of experts while studying for their *Masters degrees*. Even M.A. graduates he said, are not considered experts who can work alone until they have completed several hundred hours of postgraduate supervised field work and other requirements.

Gani also threatened that the psychologists will leave their jobs unless they obtain study and advancement opportunities.

Gideon Lev, secretary of the Union of Local Authorities, told *The Jerusalem Post* that there are no funds for training psychologists. The union is willing to grant an annual 7-day leave for individual in-service psychologist training, and has also offered to establish group courses together with the Education or Interior Ministry, he said.

Beduin fails to stop power station

HAIFA. — A magistrate on Monday rejected a request by Mohammed el-Keissy, of the Beduin village of El-Mafjar near Hadera, to stop construction work by the Electric Corporation near his home, and ordered him to pay IL1,000 costs.

The disputed area is part of a tract on which the I.E.C. is constructing a new power station.

Magistrate Yosef Zahavi said in his judgment that El-Keissy has no title to the land he occupies and cited a judgment by the same court in 1970 which had ordered him to leave it. The land, the judge said, was owned by the Caesarea Development Foundation, which had taken it over from the Palestine Jewish Colonial Association of Baron Edmond de Rothschild.

El-Matjar is an encampment in an unsanitary area, and has no water supply. Most of the residents have accepted a government offer of plots in the Hadera area and of financial grants to build new homes on them. El-Keissy and his family have remained in their hut, insisting on more money, but have been refused.

Shimon Peres to open Socialist International

Post Political Reporter

Austria's Chancellor Bruno Kreisky yesterday met Israel Labour MK Micha Harish to discuss plans for the Socialist International's summit meeting, which will be devoted to the Middle East situation.

The meeting, on February 12 in Vienna, will be opened by Labour Party chairman Shimon Peres.

Kreisky and Harish also discussed offering the International's good offices for contacts between the Labour Party and Egypt's Arab Socialist Union.

Brothers admit part in counterfeit case

TEL AVIV (Itim). — Twin brothers Giora and Zohar Nadler yesterday admitted in District Court here yesterday that they had counterfeited and distributed IL100 and IL500 notes. The two will be sentenced at a later date.

The brothers, who were arrested in November just as they were about to launch a flood of counterfeit notes into circulation, admitted to renting a warehouse at the old port in Tel Aviv, where the notes were printed; stealing a machine valued at IL60,000, used to print the serial numbers on the notes; possessing counterfeit notes; and passing some of them in filling stations and a store.

Offset printer Ze'ev Vertzer, convicted of preparing the plates used to print the forged notes, was sentenced last month to a year and a half in prison and a suspended sentence of an equal length.

Rumania wants friendly Israel

BUCHAREST (AP). — Rumanian President Nicolae Ceaucescu on Tuesday said he wanted friendly relations with Israel, but added that Israel must return to its 1967 borders and permit creation of a Palestinian state.

Ceaucescu made the remarks after Abba Gefen presented his credentials as Israel's new ambassador to Rumania.

Relations between Rumania and Israel were "founded on mutual esteem and respect and are steadily developing," Ceausescu said.

He conveyed warm wishes to Premier Menahem Begin and wished peace and prosperity to the Israeli people. Gefen said Israel appreciated Rumania's support for the talks between Israel and Egypt.

A delegation of Israel's Rakah Communist party arrived at the invitation of the Rumanian Communist Party's central committee.

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A new maintenance officer receives her insignia of rank at an officers' graduation ceremony yesterday. The ceremony was attended by the IDF's Chief of Logistics, Aluf Arye Levi. (Israel Sun)

Weekend soccer matches on — perhaps with foreign refs

By PAUL KOHN
Jerusalem Post Sports Reporter

TEL AVIV. — The Football Association will invite 14 foreign referees to control first and second division matches here this Saturday, as by last night most of the top local referees had not registered with the FA for games this weekend.

Whatever happens with the local referees, all first and second division games will take place on Saturday, the FA's Arye Kramer said yesterday.

Kramer said the FA would not negotiate with the management of the Referees Union, which it dismissed last weekend. But the dismissed union managers received massive support from referees at a general meeting last night, the referees voting to keep them in office for the next two years.

One of the top referees who did not strike last week, Zvi Sharir, said yesterday: "We have legitimate demands of the Football Association, but I do not believe that to strike will solve any problems." Sharir said he would be refereeing this Saturday as well.

Meanwhile, the FA has extended its deadline for the registration of referees for this Saturday's games until noon today.

By last night, no arbitration efforts between the Referees Union and the FA were initiated, though this is what the referees clearly desired.

(Soccer preview — page 10)

Ehrlich: Stock investments should be deemed 'saving' only after year

Jerusalem Post Economic Reporter

Finance Minister Simha Ehrlich said yesterday that money invested in the stock exchange should be regarded as savings only if it is invested for a minimum of 12 months.

Speaking on Israel Radio, Ehrlich said that he is awaiting a new evaluation on whether the present law concerning profits made on capital invested on the stock exchange should be amended, or whether it would be better to spell out in precisely which cases such profits should be taxed.

The minister noted that he was under oath to the Knesset to uphold the law of the land, and had every intention of implementing the income tax laws. (In his abortive attempt to get the Income Tax Commissioner Eliezer Shiloni to resign last month, Ehrlich had said that even if by law profits made on the exchange are taxable, he had no intention of applying that law.)

On another subject, Ehrlich noted that his ministry is awaiting the publication of the Shimron Commission's report on organized crime to decide on the steps necessary to combat the accumulation and manipulation of "black money."

Regarding the pound's rate of exchange, Ehrlich said he was not certain that this would devalue at the same rate as inflation. He expected inflation to outstrip devaluation this year, noting that this would adversely affect exports. He pointed out that every effort must be made to improve exports as U.S. non-military aid will not be forthcoming for more than another two or three years.

Rookie undercover detectives arrest 6 drug pushers in T.A.

Jerusalem Post Reporter

TEL AVIV. — Rookie drug squad detectives were credited yesterday with apprehending six drug pushers, five of whom are suspected of selling narcotics to high school students.

Police staged their first stakeout in Kfar Saba's Yosef Tal quarter after learning from high school students that drugs were being sold in the area.

Posing as customers, two detectives purchased two fingers of hashish from one man. After pocketing the money, he and three others were arrested. One of the suspects is 17 years old.

In a second stakeout, this time near a restaurant in the Hatikva quarter in Tel Aviv, police watched a suspect take pills hidden in an abandoned refrigerator and sell them to several youngsters.

In a Dizengoff cafe, police arrested a pusher after detectives purchased opium from him.

A police spokesman said undercover detectives posing as customers are new members of the drug squad, selected because their faces are not known in the narcotics underworld.

Children safe after eating rat poison in Migdal Haemek

MIGDAL HAEMEK (Itim). — About 100 kindergarteners were rushed to hospitals this afternoon when teachers feared they might have swallowed rat poison in the courtyard. Examination showed that 65 of them had swallowed some, but in quantities small enough to be harmless.

The children came from two kindergartens which share a yard in Rehov Kadesh. When teachers observed some children apparently eating poison, they alerted ambulances from Haifa and Afula. These were supplemented by private cars.

A spokesman for the local education department said a clear directive issued earlier had warned against scattering rat poison anywhere near kindergartens. He said the department would investigate if teachers had ignored the instructions.

FINANCE MINISTER Simha Ehrlich has agreed to sponsor the Ilan (disabled children's) "March of Prutot," which is to take place on February 20.

H.U. scored for ban on Arab protests

Jerusalem Post Reporter

Nearly 400 teachers and students at the Hebrew University yesterday demanded that the Arab students committee, which last week was denied *de facto* recognition by the university authorities, be granted equal rights to demonstrate, distribute leaflets and hold meetings.

Most of the speakers at a meeting held on the campus said they do not support the committee which is opposed to Zionism. Prof. Yeshayahu Leibowitz said it was wrong that only one group, whatever its view, is denied the right to hold meetings while other political organizations are granted this right.

The university, which had never officially recognized the Arab students committee, last week banned the students from holding meetings in university rooms or from distributing leaflets. The ban came after the Likud-led Students Union claimed that the committee's activities are seditious.

At yesterday's meeting Dr. Avishai Margalit of the philosophy department said that since the government is responsible for enforcing laws against sedition, it is out of order for the university to decide what can and cannot be said.

Amit warns postal workers

Jerusalem Post Reporter

Transport and Communications Minister Meir Amit yesterday warned postal workers the government would "take appropriate measures" if they execute their threat to strike. He did not elaborate.

The Postal Services' national works committee is demanding a 40 per cent pay increase, retroactive to July 1977. If this is not promised to them, they say all carriers, sorters and other postal personnel will walk off their jobs for three days beginning next Monday.

Amit said it was irresponsible for the works committees to demand a change in the work contract two months before it is up for renewal.

Noting that the strike has not been sanctioned by the Histadrut, Amit appealed to the postal workers "not to make the public suffer over an issue between the ministry and its workers."

Ehrlich says S.Africa visit is 'for business'

Jerusalem Post Reporter

Finance Minister Simha Ehrlich last night described his forthcoming visit to South Africa as "a business trip" which could be financially beneficial for Israel.

Speaking on Israel Radio, the minister said he had no interest in South Africa's internal affairs. He pointed out that South Africa was Israel's sole friend on the continent, and dismissed the critics of his visit as "hypocrites."

Ehrlich, who will be the first Israeli minister to visit South Africa, will discuss cooperation between the two countries in the fields of irrigation, agricultural research, industrial development and investment.

He will be accompanied by Amiram Sivan, director-general of the Finance Ministry, Dan Halperin, assistant director-general of the ministry in charge of international relations, Amos Mar-Haim, director of the Investment Centre, and David Bar-Haim, adviser to the Finance Ministry.

The team is due to leave for South Africa this weekend.

Bomb dismantled in Jerusalem

A small bomb was discovered yesterday near the Itri Yeshiva in the Talpiot industrial area in Jerusalem. The device was dismantled by police before it could go off.

The bomb was discovered at the doorway of a grocery store adjacent to the yeshiva by a passerby. Police removed the device before it could cause any damage. (Itim)

Disabled end strike

A group of disabled persons ended their 72-hour sit-down strike outside the Finance Ministry in Jerusalem yesterday after they were promised that their demands will receive prompt and sympathetic attention.

A spokesman said that they had met personally with the finance and social affairs ministers, who told them a special committee would be set up to look into their demands.

tonight
total prize fund IL7,212,000
first prize IL1,000,000
mifal hapayis

'Al-Ahram' turns down ADL's reply to Sadat

Jerusalem Post Reporter

The B'nai B'rith Anti-Defamation League will publish an open letter to Egyptian President Sadat in major U.S. newspapers on Saturday, while Sadat is conferring with President Jimmy Carter at Camp David, Maryland, following the refusal of the Cairo daily "Al-Ahram" to publish the letter.

The ADL had cabled "Al-Ahram" on Tuesday requesting permission to respond in its pages to the open letter which Sadat had earlier addressed to American Jewry. The Egyptian paper's response was positive, the ADL reports, but after the letter was submitted, "Al-Ahram" changed its mind about printing it, noting that to its regret, the letter contained "many inaccuracies."

In its letter to Sadat, the ADL states that the Egyptian President's appeal on January 29 for American Jewry to exert influence on the Israel government was "misdirected."

The ADL letter states that "Americans of the Jewish faith... are not a proper party to the negotiations between your government and the sovereign State of Israel. Indeed, we would be distressed to see this sensitive negotiating process diminished by the gratuitous intrusion of any third party including the American Jewish community."

Conversion ban in S. America may be lifted

Jerusalem Post Reporter

The 50-year-old rabbinical ban on conversions to Judaism in South America may be lifted, a spokesman for Chief Rabbi Shlomo Goren said yesterday.

The ban had been imposed, the spokesman said, because of a trend there by partners in mixed marriages to convert formally to Judaism with no intention of practising it. The ban had the full support of the then chief rabbis of Eretz Israel, Meir and Kook.

However, in the light of increased aliya by Latin Americans, including mixed couples, the rabbis of the continent are reconsidering the issue and have asked the Israel Chief Rabbinate for its opinion. The matter was discussed at a meeting of the Chief Rabbinate Council last week, where it was decided to wait for more information from the local rabbis.

Meanwhile, any South American who is determined to become Jewish can always come to Israel where the ban does not apply, the spokesman here said.

MK drops libel suit

TEL AVIV (Itim). — The libel suit by MK Akiva Nof (Democratic Movement for Change) against "Yediot Aharonot" correspondent Shlomo Nakdimon was dropped yesterday with the consent of both parties.

Nof had claimed "defamation of character" in the newsman's report that the MK had canvassed Likud for a place on the party's Knesset list prior to the May elections. Nakdimon had insisted that the report was true.

Plaintiff and respondent agreed to drop the whole matter on the recommendation of Magistrate Yisrael Carmel who was due to hear the case.

Jewish Agency board to discuss budget

Jerusalem Post Reporter

The proposed 1978/79 budget for the Jewish Agency is expected to be the central agenda item at the conference of the organization's board of governors, which meets in Jerusalem today and tomorrow.

Also up for consideration is Prime Minister Begin's personal plea to the United Jewish Appeal and other fund-raising bodies for a special drive to replace the substandard housing now occupied by some 45,000 families in 160 poverty areas throughout Israel.

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Ethiopian deserters confirm Soviet role

WITH INSURGENT FORCES, Northern Eritrea. — Soviet and South Yemeni troops are taking an active part in the Ethiopian war to suppress the Eritrean insurgency, manning warships, artillery, and tanks, according to Ethiopian deserters.

A high-ranking official of the Ethiopian martial law administration in Eritrea who defected recently to the rebels told the Press that Soviet crews had manned "Stalin organs" — BM21 multiple rocket launchers — during the fighting around the besieged port of Massawa. Two Soviet vessels had joined four Ethiopian ships in bombarding guerrilla positions at Massawa, he said.

"I saw them firing the BM-21's without any Ethiopian assistance because we do not yet know how to use them," said the official who has defected to the Eritrean People's Liberation Front (EPLF).

In separate interviews, Ethiopian deserters and prisoners taken during the Massawa fighting also said without prompting that the Russians had been themselves firing rockets. The Stalin organs, used to deadly effect by Cuban forces in the Angolan civil war, can fire 40 rockets at one time.

The Ethiopian official said that Soviet tank and artillery experts were in Massawa during the fighting and that South Yemeni crews had driven Soviet-supplied T54 tanks into battle.

Addis Ababa radio yesterday reported that Ethiopia has delivered protest notes to seven non-Communist governments because of their "sinister policy towards socialist Ethiopia and her revolution."

The radio, monitored in London, said identical strongly-worded notes had been delivered to the embassies of the U.S., Britain, West Germany, France, Italy, Saudi Arabia and Iraq.

The radio gave the text of the protest note, which it said came from "the people of Addis Ababa."

It said, in part: "Your governments have openly sided with and are providing full diplomatic, material and military assistance to the enemies of our country and revolution."

The note said the seven countries are "encouraging and fully assisting Ethiopia's external enemies, such as the fanatical expansionist and dictatorial regime of Somalia."

The full text of the note was read out at a mass rally yesterday at Revolution Square in central Addis Ababa, the radio said. Some 300,000 people attended the rally, which was addressed by the Ethiopian head of state, Lt.-Col. Mengistu Haile Mariam, the radio reported.

Meanwhile, Ethiopian warplanes have launched air strikes against two towns in northern Somalia, killing one person and wounding 16 others, Somalia's Sonna news agency said yesterday.

The agency said Ethiopian Migs and American-supplied F-5s attacked the northern district capital of Borama and the nearby town of Hariad on Tuesday afternoon. (Reuter, UPI)

Children and adult victims of a recent bomb attack on Adi Ugri near Asmara, Eritrea, lie in a makeshift hospital in an abandoned stone farmhouse. Eritrean insurgents with the Eritrean Liberation Front (ELF) are in control of the area as fighting against the Ethiopian government continues. (UPI telephoto)

Rhodesia nationalists claim progress as Malta talks end

VALLETTA, Malta. — Rhodesian nationalist guerrilla leaders said yesterday Britain and the U.S. had accepted new proposals for a switch to black rule in the territory, and called for a lartnership with Britain to lead to legal independence.

But Patriotic Front leaders Robert Mugabe and Joshua Nkomo made clear at a press conference after three days of intensive talks with British and American negotiators that the discussions are still at an inconclusive stage.

In a joint statement read to reporters they said: "The British government accepted that there should be a governing council during the transitional period."

The idea of a governing council has not previously been publicly mentioned in Anglo-American peace efforts, and appeared to be the only sign of a new development at the Malta negotiations.

Mugabe said the Patriotic Front saw itself playing a "substantial" role and the British a "supervisory" role in "a kind of partnership", leading to legal independence in Rhodesia.

But he made clear that the Patriotic Front guerrillas at present pitted against the Rhodesian Army in a widening bush war must "guarantee the irreversibility" of a transition period leading to free elections and majority rule.

Mugabe said the discussions here with British Foreign Secretary David Owen and U.S. envoy Andrew Young "have managed to lay a very useful basis for further negotiation.

But while the tone of th nationalists' press conferenc appeared more enthusiastic th any earlier public statements in t five-month-old Anglo-American i itiative, analysts said there has a parently been no detail agreements on any single aspect the Western peace plan.

Asked earlier why not a sing point of progress could be announ by either side after the intens talks, Young said: "The whole th has to be seen as a package. We c not ask the Patriotic Front to agr to anything new, as that means th would lose their negotiating positi with Smith in an overa settlement.

"Smith is doing the best he can a he is a survivor," Young said. "He make it all right. He'll go Australia or somewhere. What have to do is see that the country s vives.

In an interview published in yesterday, Young said that anoth year or two of civil war in Rhode could suck Cuban troops and Ea African "volunteers" into the c flict, on opposite sides.

This could "lead to the destruct of Southern Africa," Young c tinued, with the fighting "spill over into South Africa as well Zaire, in the north."

The nationalist leaders and Western negotiators said they h agreed to meet again later, but h not fixed a date or venue for t talks. (Reuter, AP)

Nine fail to agree on M.E. stand

BRUSSELS (AP). — The nine governments of the European Community have been unable to agree on urging Israel to compromise for a settlement in the Middle East, a Belgian foreign ministry spokesman indicated at the ministry's weekly briefing yesterday.

The spokesman was commenting on a letter from Belgian Foreign Minister Henri Simonet to his Israeli counterpart, Moshe Dayan, contents of which were disclosed on Tuesday.

In the letter, dated January 21, Simonet urged the Israelis to agree to "self-determination" for the Palestinian Arabs, proposing that *third countries could help with* economic assistance and security guarantees to alleviate Israel's fear of an independent Palestinian Arab state along its frontier.

In Teheran, where he was on Tuesday, Simonet told reporters he had decided to write Dayan on behalf of the Belgian government after his eight European Community colleagues had failed to agree on a joint move.

W. German defence minister resigns in bugging scandal

BONN. — West German Defence Minister George Leber, under fire for his handling of a bugging scandal and spy case, yesterday offered to resign but was asked to reconsider, a government spokesman said.

There was no word whether the former labour leader, one of the most popular government ministers, would stick to his decision.

The Minister has been under strong criticism from opposition conservatives, but a government spokesman said last week there was no question of his resigning or being replaced.

Military security installed electronic listening devices in the apartment of Leber's personal secretary in 1975. Leber, 57, told an investigatory commission last week he was not informed of the bugging in advance.

The commission is also investigating the leak of secret military information by a second woman secretary in the Ministry to East Germany.

In this case, Leber's critics have accused him of either concealing or trying to minimize the facts.

Leber's decision to quit was understood to have been taken overnight, the sources said.

A Defence Ministry spokesman would neither deny nor confirm the report but said a statement could be expected this afternoon.

The Defence Minister yesterday morning took part in a cabinet meeting with Schmidt. He has held the post since July 1972. (Reuter, AP)

Red Cross says neo-Nazis falsifying records of victims

The International Committee of the Red Cross (ICRC) yesterday denounced neo-Nazi attempts to "whitewash wartime Germany of the accusation of genocide" by publishing "false propaganda" allegedly based on Red Cross records of concentration camp victims.

Commenting on the official ICRC report, Alexander Hay, president of the all-Swiss committee, said "the snowballing of this propaganda must cease." He warned that the "young generation is totally accessible to neo-Nazi elements" but did not elaborate.

Hay was referring to numerous newspaper reports and other publications allegedly circulated recently throughout Western Europe. The newspapers, including the "Deutsche Nationalzeitung," a rightist West German organ, have been misquoting Red Cross sources on the number of concentration camp victims, he said.

Neo-Nazi propaganda, with principal centres in West Germany and Britain, have been making particular use of the minimal figur recorded by the Red Cross a ministered international tracing s vice set up at Arolsen, West G many.

Although the organization, sa Hay, had only been able to list 35 000 names of victims, this figure w probably "the minimal amount" people actually detained in the N camps. The internationally recogn ed figure of six million Nazi victi was "more realistic"' he said.

In Vienna, Nazi hunter Sim Wiesenthal said on Monday that Jewish documentation centre b discovered a Nazi war criminal w had participated in shootings of Je in Yugoslavia between 1941 and 19

Wiesenthal said the man, Ale Bojtschewski, who is of Byelorussi origin, now lives in Munich. He a ed that the documentation cen was able to supply the testimony Russian Orthodox priest, who b been an eye witness to the shootin

Wiesenthal said his documentati centre relayed the material to We German authorities, and that Munich State Attorney's office opened an investigation. (AP, J

Angola claims rebel attacks mounting

JOHANNESBURG (AP). — Angola claimed for the second day yesterday that anti-government guerrillas are attacking on several fronts, South African radio said.

The monitoring service of the South African Broadcasting Corporation said that Radio Angola reported attacks in the north and south and in some areas of eastern Angola. It gave no details of the fighting.

On Tuesday, Angola's Radio Luanda said two unnamed towns in Northern Angola were under attack by Zaire-based anti-government guerrillas. It claimed that a large number of civilians were killed.

The broadcasts accused Zaire of backing the guerrillas even while it was trying to normalize relations with the Angolan government.

The MPLA government of President Agostinho Neto came to power in 1975 with the backing of thousands *of Cuban troops. The Cubans subse*quently helped the MPLA defeat two rival nationalist groups, the National Front (FNLA) and Unita (the National Union).

But both the FNLA in the north and Unita in the south have continued to wage a hit-and-run guerrilla war against the MPLA-Cuban forces. Unita claims to control large sections of southern and central Angola.

Labourites protest Owen's 'grovelling' to the Saudis

LONDON (UPI). — Labour Party back-benchers protested yesterday over Foreign Secretary David Owen's "grovelling" apology to Saudi Arabia for Britain's comments on the public execution of a Saudi Princess and her commoner lover.

The princess was shot and the man beheaded, reportedly because they had defied custom and married. The Foreign Office issued a statement last week deploring the tragedy.

But the Saudi government said on Tuesday night the couple was not married and had been sentenced to death by an Islamic court for "adulterous acts." Owen then sent an apology "expressing his regret" that earlier comments had caused offence, the Foreign Office said.

Left-wing Labourites immediately tabled a parliamentary motion saying the House was "ashamed" of the apology.

One MP, Martin Flannery, also described it as "grovelling and humiliating."

"As one who has fought for years for the Arab cause, I am appalled that such uncivilized actions as *public executions are still carried* out in Saudi Arabia," Flannery said.

The protest, in the form of a motion of censure, was signed by 15 Labourites. It read:

"This House is ashamed of the apology tendered by the Government to the royal family of Saudi Arabia for having protested against the public executions of a man and woman, and finds it incomprehensible and totally incompatible with his declared defence of human rights that the foreign secretary should consider such executions barbaric if the two persons were married but civilized if they were not."

China-EEC trade pact expected

BRUSSELS (AP). — An agreement between China and the European Common Market on a five-year trade accord is expected to be initialed here today or tomorrow, a community official said on Tuesday.

Negotiations on the non-preferential trade agreement, which includes a most-favoured nation clause, began on Monday between Sun So-chang, a director-general in the department of foreign trade who heads the Chinese delegation, and an EEC delegation led by Sir Roy Denman, director-general of the external relations department in the European Commission, the Common Market executive.

"We expect to end the negotiations by initialling an agreement either Thursday or Friday," said a Community official who asked not to be identified.

New Soviet satellite

MOSCOW (Reuter). — The Soviet Union has launched another satellite, Cosmos 987, into orbit, Tass news agency reported yesterday.

Tass said the satellite was launched on Tuesday to continue space research, and all equipment was working normally.

Another Soviet satellite, the nuclear-powered Cosmos 954, fell on January 24 over northern Canada. Conclusions on the possibility of radiation pollution in the area have not yet been reached.

Polanski skips sentencing; reported out of U.S.

SANTA MONICA, California (UPI). — Film director Roman Polanski failed to appear yesterday for final sentencing on his conviction of unlawful sexual intercourse with a 13-year-old girl, and the judge ordered a warrant issued for his arrest.

Polanski's attorney, Douglas Dalton, told the court he did not know where Polanski was but that he had reason to believe he was outside the U.S.

The 44-year-old former husband of slain actress Sharon Tate had pleaded guilty to the charge and spent 42 *days under diagnostic psychiatric* observation at the Chino St Prison as a prelude to final sentencing scheduled for yesterday.

Superior Court Judge Lauren Rittenband could have passed sentence ranging from 50 years prison to outright release on prob tion. Federal authorities cou deport Polanski, born in Polan because the crime involved mor turpitude.

The film-maker's attorney decl ed to discuss with reporte Polanski's apparent decision to f the jurisdiction of the court rath than face sentencing. He said was a matter of attorney-cli relationship.

Dalton told the judge yesterd that he would "use every effort" persuade Polanski to return f sentencing. He said that Polan had telephoned him that morni Dalton said he thought there wa "reasonable chance" he could p suade the film director to ret voluntarily.

Rittenband continued the case 10 days but ordered that a ben warrant be issued for Polansk arrest immediately.

Polanski admitted having sex relations with the girl at the home actor Jack Nicholson last spri The girl's parents decided not press a charge of rape after Polan entered the guilty plea to the char of unlawful sexual intercourse.

Polanski

Cambodia, Thailand to trade envoys

BANGKOK (AP). — Cambodia and Thailand, hostile neighbours for the past three years, have agreed to exchange ambassadors soon and cooperate in trade and economic development, Radio Phnom Penh announced yesterday.

The broadcast said the agreement came in talks on Tuesday between Cambodian Foreign Minister Ieng *Sary and his Thai counterpart* Upadit Pachariyangkun, who is currently visiting Phnom Penh.

Upadit is hoping to end border hostilities between the two countries. The most recent Cambodian attack occurred last weekend and Thai forces along part of the border remained on full alert yesterday.

Cambodia is also locked in a far more intense border conflict with Vietnam, its eastern neighbour. The broadcast said that last Sunday Vietnamese forces intruded 3.5 kms. into Cambodian territory in the northeastern province of R tanakiri but were driven back i Vietnam.

Radio Phnom Penh, the offic voice of Cambodia, also claim another recent Vietnamese inc sion in Rattanakiri north of high 19 in which Cambodian forces ki one Vietnamese soldier, woun "many others" and drove the Vi namese out of Cambodia.

The border war appears for time being to have subsided to sm scale military action while progress has been announced either side toward peace negotiations.

OLD. — The Soviet Union's old resident, Mejid Agayev, turned yesterday and was congratulated nine other reputed centenarians ing in his Azerbaidzhani mount village of Tikyaband, Tass said.

Scientists find hope for life on Mars

WASHINGTON (Reuter). — Scientists have reopened the possibility of life existing on Mars after the discovery of tiny organisms hiding in the interior of rocks in the Antarctic wastes.

Working in freezing temperatures where relentless winds keep snow from settling and have sculptured rocks into strange shapes, researchers have found "micro vegetation" where it was believed life could not exist.

The discovery, announced on Tuesday, was made in a region known as the Dry Valleys, on the coast of the Ross Sea near the U.S. scientific base at McMurdo Sound, tucked safely under the surface of certain rocks, in the air pockets of porous rocks or in fissures.

Dr. Richard Young, chief of planetary biology at the National Aeronautics and Space Administration (Nasa), which co-supported the research, said the extreme environment of the area was similar to that found by the Viking space probe on Mars.

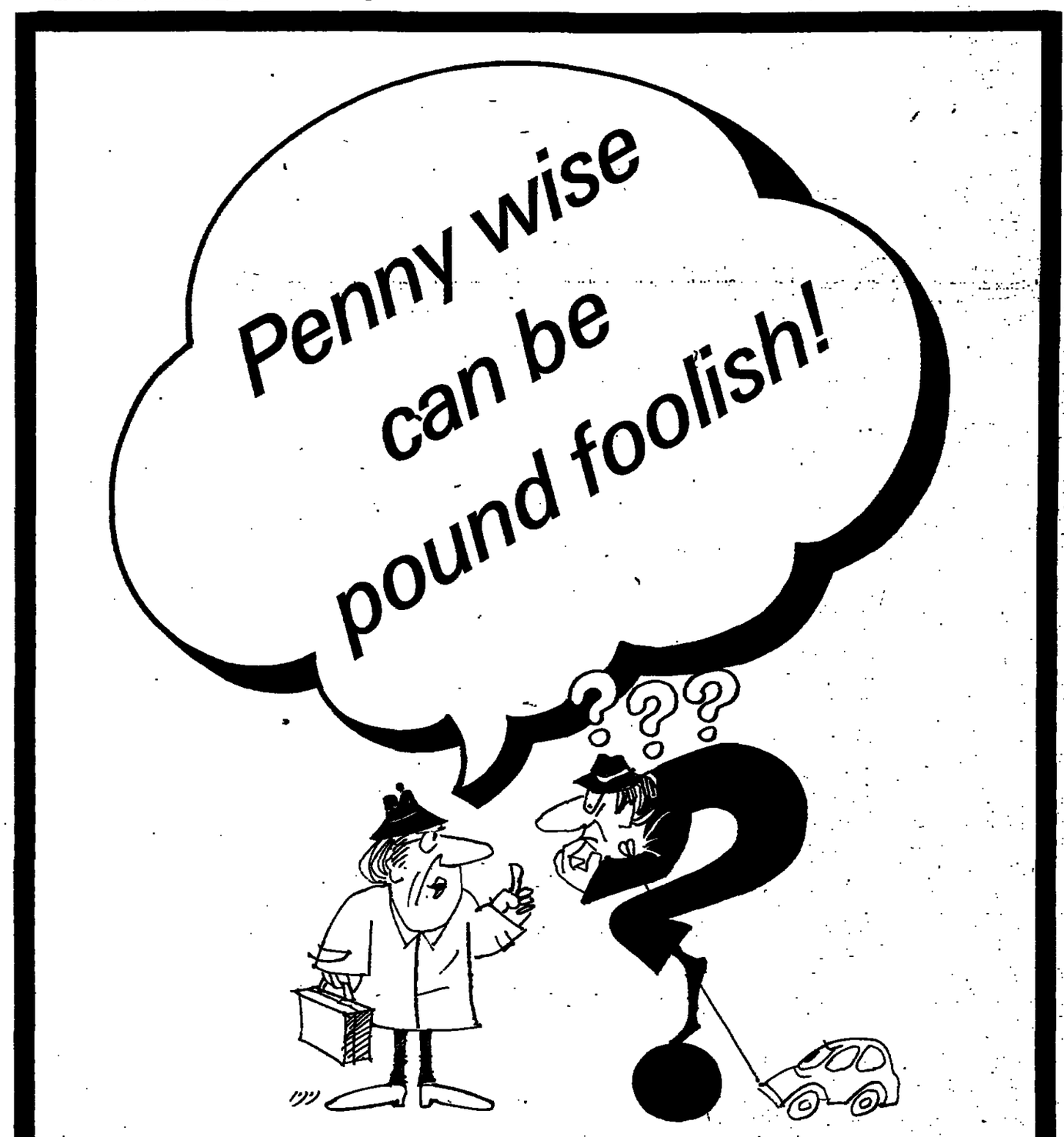
"If Martian life forms exist in the interior of rocks, that could easily explain the lack of evidence of life on Mars," he said. "Viking could not break open rocks and analyse the interiors."

Drs. Imre and Roseli Friedman, the husband and wife who pioneered the research, said the tiny organisms had found refuge from the climate by occupying microscopic niche where conditio were favourable.

Dr. Friedman said: "T microclimate between the min grains of the rock may be qu different from the macroclimate o side."

He said that the sunlight not on warmed the area immediately und the surface of the rock to lit sustaining temperatures, but prov ed the energy for photosynthesis, t chemical process by which all pla life exists.

The rock "roof" protected t micro organisms from excessi radiation and kept them from dryi out, he added.



Another classified advertising feature is now offering some kind of "liquidation sale" or maybe an "advertising end-of-season sale."

In short, some kind of discount. Great.

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THE FIFTH PAGE

Serious split in Argentina

By KAREN DEYOUNG
Washington Post News Service

BUENOS AIRES. — Less than two years after the Argentine military seized power from President Isabel Peron, a serious split appears to be developing within the ruling junta.

The head of the Argentine Navy, Admiral Emilio Massera, is increasingly expressing openly his disillusionment with the leadership of President Jorge Rafael Videla, the head of the army.

Massera, according to a well-informed source here, would like to visit the U.S. to tell President Carter that unlike Videla he is dedicated to halting human rights violations in Argentina and paving the way for an early return to democracy.

The actions of Massera would appear to carry with them a considerable risk, since the Argentine Navy is a far smaller and less formidable force than the army, its traditional rival.

Nevertheless, at least some top navy officers appear to feel that a realignment of the government that would include the naming of a new president might be possible if the U.S. withdrew its support of Videla. "If the U.S. didn't support Videla, he would fall," a source sympathetic with navy aims said.

SOURCES close to Massera deny he is looking to increase his own power. Argentine human rights activists further say they have seen little evidence that Massera, 52, who has served and supported a number of different governments including the Peronists, is any more sympathetic to their cause than Videla.

"He's without a doubt the most intelligent" of the junta members, one rights spokesman said of Massera. "He has no moral principles, but he's a pragmatist. There is a possibility he would be better, but the probability is not very high."

But in a series of informal meetings with U.S. officials and interested civilians in Washington and New York last month, two Argentine navy captains tried to explain how they and their chief, Massera, were eager to improve Argentina's international image.

The navy, they said on several occasions, wants to publish the complete list of political prisoners held by the junta. These secretely held prisoners, believed to number in the thousands, are the principal black mark on Argentina's severely tarnished reputation.

The navy, they said, also wants to transfer all the prisoners held in military camps and subject to secret military trials, over to the civilian courts. It wants a plan for an early return to democracy. It wants better relations with the U.S. The reason the navy cannot have these things, the captains — and other navy officials here — said, is because Videla and the army won't permit it.

In subtle ways, like the meetings with Americans, and not-so-subtle speeches here, Massera is trying to convince the western world and the Argentine people that they have misplaced their eggs in Videla's basket.

THE GROWING schism within the Argentine junta, pitting Massera and Air Force General Orlando Agosti against Videla, is the first visible crack in the military monolith that seized power here in March, 1976.

Argentinian President Jorge Rafael Videla, above, and Admiral Emilio Massera.
(AP wirephoto)

A junta, as the Spanish word implies, is a sort of board of directors. But while the board of a private company is ideally made up of members with differing opinions, a military junta, at least to outside eyes, ideally has no differences of opinion.

The problem with maintaining the ideal of a united front, however, is that there is no one to blame when things go wrong. As Argentina's international critics have looked for culprits in the deteriorating human rights situation, blame has usually fallen on the navy as the "hard-line" faction within the government.

Not only is that blame misplaced, the navy now says, but the navy's bad image, and the bad image of Argentina as a whole, comes from ineptitude and plotting by its traditional and much larger rival, the army.

To counter the navy's bad image, Massera has made a symbolic break with the junta, in speeches like his call recently for an end to "lamentations" and "frustrating inaction."

In October, Massera, a career officer, toured Europe, where he assured government leaders that Argentina was on the road to recovery. Currently, his aim is a trip to the U.S., perhaps under the guise of a military exchange mission with a high-ranking U.S. Navy officer, to tell Carter face-to-face that he is for democracy.

ONE SOURCE who is both well-informed and sympathetic with navy aims, said Videla remains in power because "the U.S. supports him." Examples of that support, he said, were Carter's warm welcome of Videla during a September visit to Washington, and Secretary of State Cyrus Vance's trip here in November.

"If the United States didn't support Videla," he said, "he would fall."

While the Carter Administration has cut off military assistance to the junta on human rights grounds, U.S. officials generally view Videla as a military moderate and Argentina's best hope for stopping human rights abuses by military subordinates and re-establishing a democratic system. While incidents of leftist terrorism have virtually stopped during the two years of junta rule, disappearances and allegations of torture and murder by the government and rightist groups, have continued unabated. The elections that the junta says it eventually wants appear as far away as ever.

Although the economic chaos left by the Peronist government the junta ousted has lessened on paper, workers are growing increasingly restive under continued wage controls and restraints on union activity.

UNDER THE junta's original game plan, drawn up at the time of the 1976 coup, the three armed forces commanders were to decide jointly the big questions and a retired officer, dubbed the "fourth man," would be selected president to handle administrative matters.

The internal situation was felt to be so volatile, however, that they decided to postpone selection of the fourth man and allow Videla to serve as both army head and president until things calmed down.

Although Massera told a group of journalists last month that "conditions now exist to appoint a new president," Videla shows no signs of budging. Historically, the commander of army troops has been the most powerful man here.

The navy, and many others in Argentina, maintain that Videla, described as "not a bad man, but ineffectual," is controlled by his hard-line generals. His double role as army commander and president essentially means he cannot be overruled by the others. Thus, Massera has begun taking his case outside junta meeting rooms.

Animated couple

By HAIM SHAPIRO
Jerusalem Post Reporter

SOME artists paint in garrets. Alex and Tova Balman make films in a "studio" measuring less than seven square metres in their flat in the Bak'a quarter of Jerusalem.

But cramped working conditions have not prevented them from winning the prize for the best short Israeli film made last year. The award, given by the various official agencies concerned with film making, is for their animated tragedy, "Little Grey Man."

As much as the Balmans appreciated the honour, they were even happier to get the IL10,000 prize that went with it. The money will help pay off some of the debts they incurred in making the film.

Officially, the film was the work of Tova Balman, but both she and her husband regard it as a joint effort. In fact, they have worked as a team ever since they married.

While the two were studying, he at a film-maker's institute and she at the Bezalel Art School, they each took turns working while the other attended classes. Now he concentrates on the technical aspects of the films and she does the "artistic" work.

Perhaps the only people who refuse to recognize their joint efforts are the income tax authorities, who refuse to believe that any income is the result of the efforts of both of them. Some couples, in similar situations, have lived together without getting married in order to avoid this discrimination, they said.

The film itself is the story of an anonymous little man who is suddenly pounced upon by an eye which appears from above. He succeeds in getting rid of the eye, only to find himself hounded by a hand. Meanwhile those around ignore him and it is only in death that he receives brief attention.

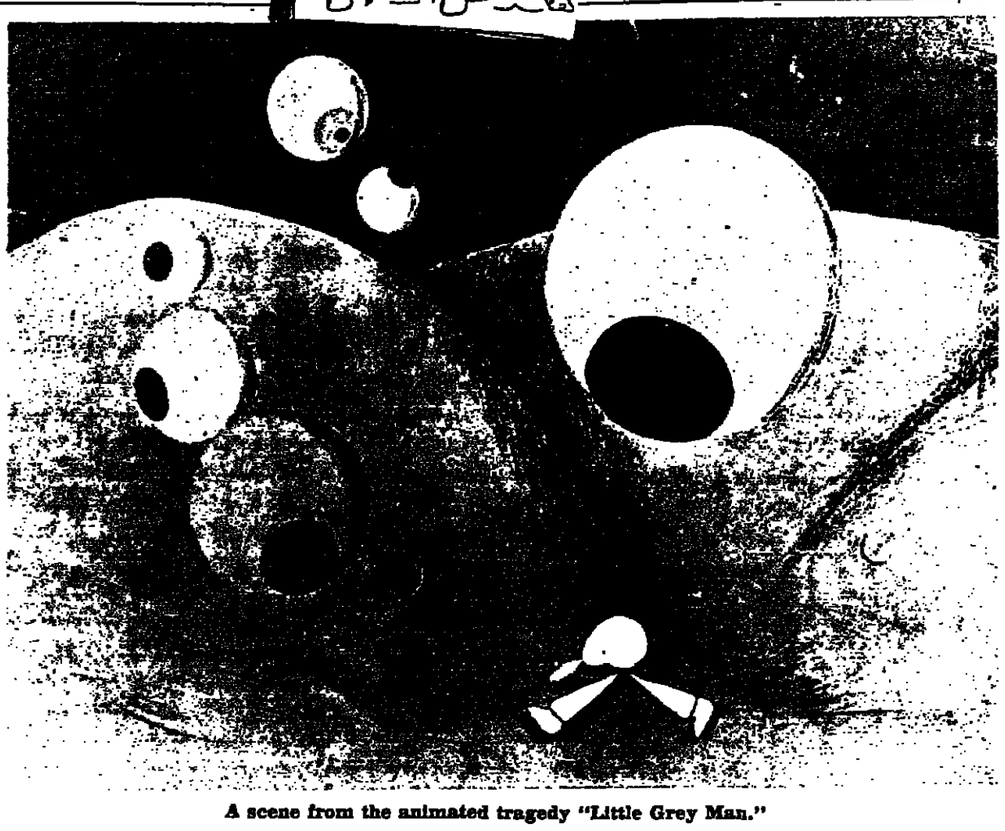
Alex Balman, whose idea for the film came from the lives of Soviet dissidents, says the moral of the tale is that one cannot escape simply by being a "little grey man" leading a colourless, uneventful life.

The eight-minute animated film has few commercial possibilities. It could bring in a little money from showings in film clubs, but hardly enough to repay the investment. A representative of a U.S. distributor took one copy of the film to America about a year ago. Since then they have not heard from him.

Their real purpose in making the film, the Balmans say, was to show the inherent possibilities of animated films, especially for a small and poor country like Israel. The talent is here, they claim, and animation requires relatively little complicated equipment.

Now, in between big projects, they manage to find work on TV and films. They made a television service short on snow in Jerusalem and they are working on a film about road safety for children.

What they really want to do is to make an animated film on the children's story of the Princess and the Pea. All they need is a backer.



A scene from the animated tragedy "Little Grey Man."

Jewish identities

JEWISH SCENE / Geoffrey Wigoder

ZIONISM was a revolution among the Jewish people, but it has fallen short of its ultimate goal — the creation of a wholly Jewish society in Israel. This was the message of the keynote address by Professor Ya'acov Katz of the Hebrew University at the seminar on the Jewish character of Israeli society held at the residence of President Katzir last month. This was the fourth Continuing Seminar on World Jewry and the States of Israel under the auspices of the President's Study Circle on World Jewry.

Aharon Yadlin, former minister of education, defined the challenge facing Israel as responsibility for the survival of the Jewish people. He saw the main thrust in Israel education as bringing the youth of the country to say "First of all I am a Jew" and not "First of all I am an Israeli." He felt that education towards Jewish identity had been successful; the sabra sees himself as belonging to the Jewish people. Much more problematical was the implanting of Jewish consciousness: as the traditional religious, the secular and folkloristic approaches had all failed.

Much of the discussion ranged round the question of educating to Jewish values in a secular environment, although it was also pointed out that the traditional dichotomy between religious and secular is not applicable in the Israel-Jewish situation. As Prof. Shlomo Deshen of Tel Aviv University put it, referring particularly to the so-called oriental Jews: "There is secularism in their Orthodoxy and religion in their secularism." Another participant explained the difference between a non-Jewish and a Jewish atheist: "A non-Jewish atheist *knows* there is no God; a Jewish atheist *believes* there is no God."

Professor Eliezer Schweid of the Hebrew University pointed to increased alienation between the secularists and the Orthodox in Israel. He felt that a break between the two elements was looming, despite the realization of the need for unity. His call for real religious pluralism, to be reached through the creation of independent religious communities, was echoed by various other speakers such as Mr. S.Z. Abramov who said that only when the country has alternative forms of Jewish religious expression will there be a fruitful religious life including the revitalization of Orthodoxy. Mr. Abramov also referred to the cultural challenges that would be presented in case of peace. Hitherto, he said, the country has derived economic, social and cultural benefits from living in a state of siege; a sudden thrust into an open society vis-a-vis our neighbours will lead to a painful transition with difficult cultural repercussions.

Interesting information on a survey among Russian activists and intelligentsia in Israel was given by Dr. Ze'ev Katz of the Hebrew University. Three hundred such Russians, who have been in Israel for several years, were interviewed and Dr. Katz gave some preliminary information on the results. Asked their definition of "Who is a Jew?", 14 per cent came up with a religious definition, 40 per cent gave a national definition, 28 per cent based their response on Jewish pride (related to the Jewish contribution to world civilization) while 18 per cent had a completely negative definition, analogous to hostile attitudes to Jews.

When asked what attracts them in Israel society, the major factors were the freedom and lack of censorship, the nationalism and — capitalism. The idea of being their own boss intrigued them. When asked what repelled them about Israel society, they replied socialism, Orthodoxy (for the great majority) and, for many, democracy! They felt there were too many parties, no centralism and they felt they wanted the government to be more decisive in directing the people. Asked about the sort of Israel society they wanted to see emerge, the stress was on science and technology and they wanted to see Israel a great world technological centre.

Several of the speakers looked for the elements of continuity in Israel with the Jewish past. Professor Lloyd Gartner of Tel Aviv University pointed to the continuity of the tradition of Community. This accounted for the undervelopment democracy in the Jewish State and Zionist philosophy because the Jewish communal tradition tended to be oligarchic and patrician, while being respectful of the individual and his inalienable rights.

Professor Shmuel Eisenstadt of the Hebrew University found a pattern of continuity in the ambivalent attitude to the law of the state. On the one hand there is a civility to the law because it is the law — but also a tendency not to accept it, not only because it is inconvenient but because of the belief that there is a higher law than the law of the state.

Professor Moshe Davis, chairman of the Seminar, referred to the achievements of the Jewish component of Israeli society. He mentioned the re-establishment of Jewish sovereignty, the renaissance of language and culture and the reinterpretation of tradition in both traditional and non-traditional institutions.

President Katzir, in his concluding remarks, listed what he saw as the components of the Jewish character of Israeli society. He pointed to the respect for human life, the remarkable lack of hatred even for so-called "enemies", the special appreciation of family, the feeling of mutual responsibility, the appreciation of history and the understanding of the continuity of generations, the respect for cultural and intellectual activities and respect for moral values.

Much of the discussion was devoted to the common ground or its absence — between Israel and Jews elsewhere. The last remarks on this subject were made by Mr. Aryeh Dulzin, Treasurer of the World Zionist Organization. The nature of Israel, he said, will be determined by the composition of its population. It is those that have come who have decided and will continue to decide the nature of the country — not those who have stayed behind and tried to influence from afar.

THE JERUSALEM ALPS

By TAMAR KAUFMAN
Special to The Jerusalem Post

CLAUSTROPHOBIA is Israel's national disease. Sufferers show certain, easily discernable symptoms: temperature rise matching that of prices and glazed at the mention of that mythical place "abroad."

For Israel's citizenry, the world is neatly divided in two. There is Israel, and there is "abroad," just as there are only two recognized languages: Hebrew and "Not-Hebrew." Anyone going "abroad" must fend off countless wistful pleas to convey greetings to Uncle Oscar in Brooklyn or Cousin Harriet in Stamford Hill, even if the traveller is heading for Sydney.

During attacks of the national claustrophobia, I tend to roam the streets of Jerusalem starry-eyed, visions of New England autumns dancing in my head. I ignore friends, insult acquaintances, snub the falafel man and dazedly trudge on.

But Jerusalem has many compensations. Aside from the well-touted beauty spots, religious sites, breathtaking views, varied cultures and fascinating architecture (both quaint and looming), from time to time our thoughtful municipality prepares a little surprise for us citizens — to take our minds off the illness that saps our strength.

During our morning journey to work, school, shopping or other business, our surroundings may change from day to day for our entertainment. For the past two years, for instance, Herzl Boulevard has been a parking lot. It's a little game with us Jerusalemites to guess which part of Herzl it will be today. There was the time when I thought I had been whisked to Manhattan; the sudden profusion of high-rise hotels was terribly confusing.

And I'll never forget the day the Knesset was missing. Search as we might, place ads in the papers, offer rewards, send out the army, civil guards, volunteers and the rest, the building simply was not to be found. As it turned out, someone had forgotten it under the Wolfson towers.

My own modest street recently joined the festivities. I was about to have my weekly provisions sent from the local supermarket when the cashier said, "Oh, Sharon Street. We don't deliver there."

"I'm in no mood for jokes, lady. You've been delivering there every week for the past four years."

"The municipality has closed the road."

Hauling a borrowed shopping cart, I apprehensively remembered the fate of Stern Street. The oldest resident can't recall a time when it wasn't a quarry.

WHEN I got home, the tall-tale signs were already there. A neat line had been drilled all the way down the street, right in front of my home. The next morning I tripped over a long, heavy pipe, which had been carefully laid before the path to my building. A glance revealed bumper-to-bumper pipes down the entire length of the street — in front of all the building entrances. Who says we don't have equality here?

Despite these ominous warnings, I was totally unprepared for the scene that greeted me upon my return from work that day. The street had been completely demolished and left with a canal running in front of all the houses on one side. A series of ramps connected each pathway with *terra firma*. You see, we Israelis *are* efficient.

Gazing in wonder at what man had wrought, I was passed by a family: mother, father, five children, grandma, grandpa and the dachshund, all tied to one another by what appeared to be a clothesline. They were toiling up the ridge in the centre of our erstwhile street. A fashionably dressed young woman — excepting her cleated boots — almost plunged over a cliff when a St. Bernard chasing a cat dashed past. An elderly gentleman with an alpenstock briskly hiked by, tipping his tyrolean hat to the mountain goat poised on the ridge. Two children on another peak practised their yodelling.

"Ah," I sighed, breathing the fresh mountain atmosphere if not air, "Who needs to travel? The Tourism Ministry is right. We have everything right here in our own backyard."

Weizmann's tortuous political career

WRITERS AND READERS / Sraya Shapiro

PARADOXICALLY, Weizmann's greatest achievement in Zionist history, the negotiation of the Balfour Declaration, was performed in flagrant defiance of the basic principles on which he battled against Herzl ever since he joined the Zionist Movement. It was Herzl who laboured to obtain some type of formal recognition of the Jewish right to return to Palestine. Weizmann advocated the practical approach, the establishment of "facts" before an internationally accepted agreement was obtained.

However, when the opportunity presented itself Weizmann did not hesitate to apply all his energy to obtain an official promise from a government which, at the time, was not even in possession of the Promised Land. If anyone ever remarked on Weizmann's inconsistency on the matter, he kept the observation to himself. The Balfour Declaration made Weizmann the unchallenged leader of the Zionist Movement for a certain period of time. But Weizmann's political career was much more tortuous than that, as any one of the studies of his life shows. The latest volume is published by Tel Aviv University and Hakibbutz Hameuhad. Entitled *Mdinai be'Itot Mashber* (A Statesman in Times of Crisis) it is made up of papers delivered two years ago on the occasion of the Weizmann Centenary. The editors are Prof. Yosef Gorni, of the TAU Institute for Zionist Research, and Dr. Gedalia Yogev.

EVEN BEFORE the hostilities ended in Palestine in 1918, Weizmann led a group of Zionist leaders to Alexandria, Jaffa and Jerusalem in order to establish formal contact with the British administration on behalf of the budding Yishuv.

Major Ormsby-Gore, a friendly MP, accompanied the group as a representative of the British government. He was given to understand that Weizmann's mission was to make the Jewish community an ally of Britain. Weizmann expected greater assistance from the local authorities. Several months later Weizmann hastened back to London, a shaken man. Everything seemed to need starting again from scratch.

The terrible truth of the Zionist Movement at the time was that it simply did not exist for any practical purposes. Indeed, it was only because the Zionist Organization, as a corporate body, was paralysed during the war that Weizmann was at all able to move freely among his British contacts.

Though he was the head of the Zionist Organization in Britain only, he could not, even if he had wanted to, take orders or report to the nominal heads of Zionism who resided either in Copenhagen or in hostile Germany. And the link with Russia was severed completely after the October Revolution.

In Palestine, Weizmann had found a disjointed community, factions warring among themselves with more tenacity than against either the Arabs or the subtly hostile authorities. He attributed this hostility to a break in communications between London and its representatives in the field, so to speak, who failed to understand Whitehall's great message about the Jewish National Home. It was partly in order to remedy this, and also so that he could be on hand for the peace conference, that Weizmann hurried back to England.

THE YISHUV was left without a strong leader. Weizmann exhorted the Jews in Palestine to "add a dunam to a dunam" — that is, to struggle as hard as they could locally while he led the political campaign where it mattered, in London.

As it happened, however, Weizmann had to fight a rearguard battle between 1918 and 1939. The Zionist Organization was of questionable use because of its loose structure and partisan quarrels. The only hope seemed to lie in the Labour parties, Mapai in particular, which achieved a great degree of organizational cohesion and was willing to side with Weizmann in order to win respectability.

Weizmann put his trust in Haim Arlosoroff — possibly because Arlosoroff's Central-European outlook was congenial to him. However, Weizmann had the shock of his life when Arlosoroff mentioned a plan to take over the coastal plain of Palestine for a short time, in order to bring half a million immigrants to the country. Weizmann did not believe in adventures.

WEIZMANN'S star seemed to rise again during World War II. With Churchill at 10 Downing St., it was possible for Weizmann to bring the British government very near to committing itself to a larger Jewish State than the *one suggested by the* Peel Commission a few years earlier.

Lord Moyne, an influential figure behind the scenes, was for it (he also suggested a Maronite state). The Foreign Office, however, delayed for a few months all the publication of the "Churchill Declaration," and in the interval the military situation changed considerably. The Arab League gained prominence; Lord Moyne was assassinated; the idea was shelved.

But Weizmann *never lost his trust* in Britain. He withdrew his support from the Biltmore Declaration after he realized that Ben-Gurion and Abba Hillel Silver expected to have American support against the British plans for a state with a permanent Arab majority in Palestine.

In his farewell speech, to the 1946 Zionist Congress ("perhaps the greatest speech he had ever made," Abba Eban writes), Weizmann warned against "idol worshipping." No clever wording of a document would ever produce a short-cut to national independence, he said; only sweat and toil could do that. He might have given as an example the fate of his own contribution, the Balfour Declaration, but he did not mention it. Perhaps he did not think of it in those terms.

Among the contributors to this volume, Abba Eban is the only active politician. The rest are academics, mostly young researchers, who have burrowed conscientiously in old texts to reveal a fascinatingly complex political life.

The Shirazi General Intensive Care Unit at Assaf Harofeh Hospital — The Most Modern and Best Equipped in Israel

Eliahu Shirazi was born in Baghdad. From childhood he studied the Tora and Gemara with the wisest of scholars, and entered business at a young age.

In 1913, he ordered two ships loaded with merchandise from Germany.

The First World War made him a rich man, his business expanding to agriculture and the stock market, but he did not relinquish his Tora studies until his marriage.

Eliahu Shirazi was then a dignitary of his Jewish Community in Iraq, and some of his best friends were Nuri Sa'id — one time Iraqi premier — and ministers and military commanders.

Notwithstanding these connections, he was banished from Iraq in 1952, whence he fled to Iran with his family, but he lost his entire fortune.

After a short while, however, he was recalled to Baghdad by the Iraqi government, which introduced a special law in Parliament, legalizing his return to Iran where his family, especially his sons, had settled down. Exploiting financial opportunities abroad, he traded in real estate with the greatest success.

It was in 1973 during the Yom Kippur prayers in the synagogue, right after the War broke out, that Mr. Shirazi approached Mr. Shlomo Ben-Zion, manager of the Discount Bank's Rishon Lezion branch, who was on an official mission there, and expressed his wish to contribute towards a worthy project in Israel to perpetuate his name. Thus did the offer materialize, and today Assaf Harofeh Hospital is holding the cornerstone laying ceremony of the Eliahu Shirazi General Intensive Care Unit.

Zalah, Shirazi's firstborn son, and his wife, have come specially from Teheran to be present on this unique occasion.

A special correspondent who visited the pilot unit at the Hospital relates:

The small hall near the patients' room looked more like a military command post than a department of a hospital. There were groups of doctors instructing nurses, who were rushing back and forth carrying medical instruments. Serious faced doctors were standing above complicated electronic equipment, reading the records being made on millimetre paper tapes. The tension on their faces was obvious. All this centered around just four patients lying two in a room, on beds equipped with the latest equipment — equipment which reminds one of science fiction movies. Here, in this small department called the Intensive Care Unit, the drama of the struggle for a man's life takes place. In this room, the doctor does not enter smiling, asking the patient "How are you Mr ... " The patient is usually in no condition to answer. His condition is revealed by monitors and laboratory tests; the person in the bed is barely breathing, struggling for life, surrounded by all the electronic equipment available and the most competent and devoted doctors and nurses.

How many lives are saved in this unit? This question was answered by the Director of the Intensive Care Unit, Dr. Gabriel Levinsohn. As this department has been in existence only a very short time, statistics would be misleading. But in the few months that the I C U has been operating, more than 75% of the patients have been treated successfully: this is an excellent record. The results are also dependent on the type of patients admitted, and at the present time a definite procedure and criteria are applied before admittance to the I C U.

Dr. Gabriel Levinsohn who is 42 years old, married, with three daughters, came to Israel from Germany in 1939. He graduated from the medical school of the Hebrew University, Jerusalem. He has been associated with Assaf Harofeh since 1963, where he has specialized in internal medicine. He further enlarged his knowledge of lung diseases between 1967 and 1969 in Boston, USA, and of intensive care from 1976 to 1977 in Pittsburgh, USA. On his return to Assaf Harofeh in 1977, he was named Director of the Intensive Care Unit, which he had to organize, as it was a completely new section added to the hospital.

At one time, the Department of Intensive Care was controlled by the cardiologists, and the doctors were trying to place this unit in the correct subdivision in the field of medicine. The Intensive Care facility started in the Recovery Room next to the operating theatre, where patients developing complications after surgery were kept simply because to return them to their rooms was not practical because of the lack of special equipment needed for their care. It became apparent that these special cases should be brought together in a section which would have continuous nursing and all the necessary sophisticated modern medical equipment working 24 hours a day. Naturally the very important factor of cost arose — the cost of the equipment and continuous medical supervision are enormous. To make full use of the equipment and supervision, it was found necessary to centralize. And this is how Intensive Care Units were established in every major hospital around the world — as an independent department of the hospital.

The next problem was: Who should be responsible for the patients? Studies showed that the Director of the I C U should be solely responsible, and that he should keep in close contact with each patient's own doctor or specialist. At Assaf Harofeh, because of lack of equipment, the Intensive Care Unit was merely an observation room. Thanks to the Friends of Assaf Harofeh, and particularly the American Friends, equipment has been shipped to us and is already in operation. The new building which will house the complete new 10-bed unit is being erected as planned, and naturally this too depends on funds collected. Today, the cost of one "bed," including all the machines necessary for the proper operation of an intensive care bed, such as hydraulic bed, respirators, hyperthermia blankets, cardiac output monitors, blood pressure, heart rate monitors, etc..., is approximately $65,000. The total cost of the Unit will be IL10,000,000; it will occupy an area of 1000 sq.m.

There should be at least 1 nurse to every 2 beds, and as in every hospital, there is a shortage of trained nurses. To overcome this situation, a 5-month special course was started last February with 20 participants, but unfortunately, this did not solve the problem, as many of these specially trained nurses went back to their own departments or the emergency room, where this special training also is essential. A second course has started, in which 20 student nurses are participating.

Under the able direction of Dr. Gabriel Levinsohn, the I C U is now on its way to becoming a reality and, with the help of the Friends who are obtaining the essential equipment, we hope that Assaf Harofeh will have the most modern and best equipped Intensive Care Unit in Israel.

(Communicated)

Barclays Discount Bank Ltd. and Subsidiaries

consolidated balance sheet as at 31st december 1977

	Note	IL.	31.12.1976 IL.
CAPITAL, RESERVES AND SURPLUS	4		
Share Capital		11,000,000	11,000,000
Capital Reserves			
Premium on Shares		11,000,000	11,000,000
Capital Reserve Arising on Consolidation		760,156	760,156
		11,760,156	11,760,156
Surplus			
General Reserve and Balance of Unappropriated Profit		53,983,854	32,695,559
Special Reserve for Contingencies		2,986,383	2,687,742
		56,970,237	35,383,301
		79,730,393	58,143,457
CAPITAL NOTES	5	100,947,248	71,769,680
		180,677,641	129,913,137
MINORITY INTEREST			
In the Capital, Reserves and Surplus of Banking Subsidiary		108,604	82,553
DEPOSITS			
Demand Deposits		628,281,911	331,978,503
Time and Savings Deposits		2,956,996,722	1,555,513,840
Deposits and Loans from Bank of Israel and Banking Institutions	6	146,236,093	156,630,532
		3,731,516,726	2,044,122,875
DEPOSITS FOR LOAN PURPOSES			
Government Deposits		134,250,007	92,235,910
Deposits and Loans from Bank of Israel and Banking Institutions	6	1,346,416,225	544,017,338
Other Deposits		8,270,969	9,136,063
		1,488,937,201	645,389,311
OTHER ACCOUNTS (Including Provisions)		93,663,058	60,049,608
LIABILITIES ON ACCOUNT OF CUSTOMERS (See Contra)			
Acceptances		9,047,658	2,073,957
Documentary Credits		175,941,653	80,026,206
Guarantees and Liabilities		406,037,448	331,739,872
		591,026,759	413,840,035
		6,085,929,989	3,293,397,519

	Note	IL.	31.12.1976 IL.
CASH AND BALANCES WITH BANK OF ISRAEL AND BANKING INSTITUTIONS	6	2,080,115,964	1,033,279,259
SECURITIES	2		
Debentures of the Government of Israel		265,965,060	214,965,581
Other Debentures		457,230,595	190,255,420
Shares		629,667	15,829
		723,825,322	405,236,830
LOANS TO THE ISRAEL GOVERNMENT (Including Deposits with the Israel Treasury)		134,435,677	51,354,563
LOANS AND BILLS DISCOUNTED			
Less Provision for Loan Losses			
Loans and Bills Discounted		975,578,905	679,615,308
Loans Out of Deposits for the Granting of Loans		1,476,661,404	632,478,020
		2,452,240,309	1,312,093,328
OTHER ACCOUNTS		67,619,410	49,605,567
BANK PREMISES, EQUIPMENT AND OTHER PROPERTY	3	36,666,548	27,987,937
CUSTOMERS' LIABILITIES (See Contra)			
For Acceptances		9,047,658	2,073,957
For Documentary Credits		175,941,653	80,026,206
For Guarantees and Other Liabilities		406,037,448	331,739,872
		591,026,759	413,840,035
		6,085,929,989	3,293,397,519

The Notes to the Financial Statements form an integral part thereof

D. Recanati, Chairman of the Board — G.W.S. Primrose, Deputy Chairman of the Board — G. Lahav, Director and General Manager

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 1977

	Note	IL.	Preceding Year IL.
INCOME			
Interest on Loans and Bills Discounted *		288,370,698	192,996,035
Interest on Deposits with Bank of Israel and Banking Institutions *		90,234,004	61,158,154
Income from Debentures Approved for Investment *		222,599,083	114,756,837
Other Income (Net) from Operations in Securities *		2,923,218	3,604,927
Commissions, Exchange Rate Differences (Net) and Other Income *		70,441,602	38,170,577 **
		674,568,605	410,686,530
EXPENSES			
Interest on Deposits, Savings and Loans *		461,094,056	265,853,894
Interest on Capital Notes		5,452,716	4,876,011
Commissions		386,638	510,115
Provision for Loan Losses, Net		2,302,016	3,346,488
Salaries and Related Expenses		105,449,637	73,145,332 **
Occupancy of Bank Premises, Net		7,714,270	5,724,946
Depreciation of Bank Premises, Equipment and Other Property		1,502,182	1,182,368
Other Expenses (Including Directors' Fees - IL.220,750; preceding year - IL.199,202)	10	32,399,739	22,690,645
		616,301,224	377,329,799
Profit, From Operations Before Provision for Taxation		58,267,381	33,356,731
PROVISION FOR TAXATION	11	38,700,000	22,200,000
Net Profit, Before Extraordinary Income		19,567,381	11,156,731
EXTRAORDINARY INCOME, NET	12	4,251,044	-
Net Profit, Before Minority Interest		23,818,425	11,156,731
MINORITY INTEREST IN BANKING SUBSIDIARY		31,489	22,852
Net Profit		23,786,936	11,133,879
BALANCE OF PROFIT at Beginning of Year		16,953,626	11,866,939
Profit Available for Appropriation		40,740,562	23,000,818
APPROPRIATION OF PROFIT			
Transfer to General Reserve		6,497,734	4,398,183
Transfer to Special Reserve for Contingencies		295,641	329,009
Interim Dividend - 20% Gross, proposed as final (Preceding Year 12% Gross)		2,200,000	1,320,000
		8,996,375	6,047,192
Balance of Unappropriated Profit		31,744,187	16,953,626

* Including Linkage Increments on Principal and Interest
** Reclassified

The Notes to the Financial Statements from an Integral part thereof.

Barclays Discount Bank Ltd.

balance sheet as at 31st december 1977

	Note	IL.	31.12.1976 IL.
CAPITAL, RESERVES AND SURPLUS	4		
Share Capital		11,000,000	11,000,000
Capital Reserve			
Premium on Shares		11,000,000	11,000,000
Surplus			
General Reserve and Balance of Unappropriated Profit		38,869,943	23,045,901
		60,869,943	45,045,901
CAPITAL NOTES	5	100,947,248	71,769,680
		161,817,191	116,815,581
DEPOSITS			
Demand Deposits		543,140,854	276,027,577
Time and Savings Deposits		2,840,558,230	1,490,027,154
Deposits and Loans from Bank of Israel and Banking Institutions	6	172,936,152	166,802,592
		3,556,635,236	1,932,857,323
DEPOSITS FOR LOAN PURPOSES			
Government Deposits		111,795,598	81,693,723
Deposits and Loans from Bank of Israel and Banking Institutions	6	1,325,379,713	531,919,530
Other Deposits		8,270,969	9,136,063
		1,445,446,280	622,749,316
OTHER ACCOUNTS (Including Provisions)		67,097,107	36,429,085
LIABILITIES ON ACCOUNT OF CUSTOMERS (See Contra)			
Acceptances		6,131,375	86,688
Documentary Credits		80,127,054	23,469,686
Guarantees and Other Liabilities		388,347,942	311,333,505
		474,606,371	334,889,879
		5,705,602,185	3,043,741,184

	Note	IL.	31.12.1976 IL.
CASH AND BALANCES WITH BANK OF ISRAEL AND BANKING INSTITUTIONS	6	2,032,767,802	1,016,493,148
SECURITIES	2		
Debentures of the Government of Israel		254,739,564	207,538,945
Other Debentures		457,230,595	190,255,420
Shares		5,629,857	5,016,019
		717,600,016	402,810,384
LOANS TO THE ISRAEL GOVERNMENT (Including Deposits with the Israel Treasury)		134,435,677	51,354,563
LOANS AND BILLS DISCOUNTED			
Less Provision for Loan Losses			
Loans and Bills Discounted		819,207,014	563,013,100
Loans out of Deposits for the Granting of Loans		1,435,246,245	611,416,699
		2,254,453,259	1,174,429,799
OTHER ACCOUNTS		56,019,064	36,588,168
BANK PREMISES, EQUIPMENT AND OTHER PROPERTY	3	35,719,996	27,175,243
CUSTOMERS' LIABILITIES (See Contra)			
For Acceptances		6,131,375	86,688
For Documentary Credits		80,127,054	23,469,686
For Guarantees and Other Liabilities		388,347,942	311,333,505
		474,606,371	334,889,879
		5,705,602,185	3,043,741,184

The Notes to the Financial Statements form an integral part thereof.

D. Recanati, Chairman of the Board — G.W.S. Primrose, Deputy Chairman of the Board — G. Lahav, Director and General Manager

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 1977

	Note	IL.	Preceding Year IL.
INCOME			
Interest on Loans and Bills Discounted *		249,434,676	160,395,125
Interest on Deposits with Bank of Israel and Banking Institutions *		89,418,712	62,320,023
Income from Debentures Approved for Investment *		219,568,118	112,709,930
Dividend from Banking Subsidiary		1,194,562	895,912
Other Income (Net) from Operations in Securities *		2,907,953	3,584,700
Commissions, Exchange Rate Differences (Net) and Other Income *		58,977,294	30,662,417 **
		621,501,315	370,568,107
EXPENSES			
Interest on Deposits, Savings and Loans *		444,421,219	253,030,050
Interest on Capital Notes		5,452,716	4,876,011
Commissions		131,919	118,724
Provision for Loan Losses, Net		2,219,028	1,848,463
Salaries and Related Expenses		90,829,364	62,944,337 **
Occupancy of Bank Premises, Net		7,093,532	5,229,368
Depreciation of Bank Premises, Equipment and Other Property		1,401,365	1,086,553
Other Expenses (Including Directors' Fees - IL.220,750; Preceding Year - IL.199,202)	10	29,531,229	20,913,748
		581,140,392	350,047,254
Profit, From Operations Before Provision for Taxation		40,360,923	20,520,853
PROVISION FOR TAXATION	11	26,000,000	13,500,000
Net Profit, Before Extraordinary Income		14,360,923	7,020,853
EXTRAORDINARY INCOME, NET	12	3,663,119	-
Net Profit		18,024,042	7,020,853
BALANCE OF PROFIT, at Beginning of Year		9,045,901	7,345,048
Profit Available for Appropriation		27,069,943	14,365,901
APPROPRIATION OF PROFIT			
Transfer to General Reserve		6,000,000	4,000,000
Interim Dividend - 20% Gross, proposed as final (Preceding Year - 12% Gross)		2,200,000	1,320,000
		8,200,000	5,320,000
Balance of Unappropriated Profit		18,869,943	9,045,901

* Including Linkage Increments on Principal and Interest
** Reclassified

The Notes to the Financial Statements form an integral part thereof.

consolidated statement of changes in financial position for the year ended 31 december 1977

	Year Ended 31st December, 1977 IL.	1976 IL.
SOURCES OF FUNDS		
From Operations and Extraordinary Income		
Net Profit	23,786,936	11,133,879
Add (Deduct) Expenses (Income) Not Requiring Current Use of Funds:-		
Profit from Sale of Bank Premises, Equipment and Other Assets	(2,372,948)	(111,974)
Outside Shareholders' Interest in Net Profit	26,051	18,764
Depreciation	1,502,182	1,182,368
	22,942,221	12,223,037
Capital Sources		
Increase in Capital Notes due to Exchange Differences	54,414,378	13,549,680
Other Sources		
Increase In Deposits, Savings and Loans	2,530,941,741	718,729,236
Proceeds from Sale of Bank Premises, Equipment and Other Assets	2,936,482	188,500
Increase in Other Accounts	33,613,450	13,706,189
	2,567,491,673	732,624,025
Total Sources of Funds	2,644,848,272	758,396,742
APPLICATION OF FUNDS		
Increase In Assets		
Cash on Hand and Balances with Bank of Israel and Banking Institutions	1,046,836,705	323,916,714
Securities	318,588,492	125,676,694
Loans to Government of Israel	83,081,114	(50,542,246)
Loans and Bills Discounted	1,140,146,981	329,540,481
	2,588,653,292	728,591,643
Other Items		
Redemption of Capital Notes	25,236,810	-
Acquisition of Bank Premises, Equipment and Other Assets	10,744,327	6,036,375
Cash Dividend, Gross	2,200,000	1,320,000
Increase in Other Accounts	18,013,843	22,448,724
	56,194,980	29,805,099
Total Application of Funds	2,644,848,272	758,396,742

statement of changes in financial position for the year ended 31 december 1977

	Year Ended 31st December, 1977 IL.	1976 IL.
SOURCES OF FUNDS		
From Operations and Extraordinary Income		
Net Profit	18,024,042	7,020,853
Add (Deduct) Expenses (Income) Not Requiring Current Use of Funds:-		
Profit from Sale of Bank Premises, Equipment and Other Assets	(2,370,841)	(81,285)
Depreciation	1,401,365	1,086,553
	17,054,566	8,026,121
Capital Sources		
Increase In Capital Notes due to Exchange Differences	54,414,378	13,549,680
Other Sources		
Increase in Deposits, Savings and Loans	2,446,474,877	690,677,446
Proceeds from Sale of Bank Premises, Equipment and Other Assets, Net	2,883,482	135,600
Increase In Other Accounts	30,668,022	5,970,151
	2,480,026,381	696,783,197
Total Sources of Funds	2,551,495,325	718,358,998
APPLICATION OF FUNDS		
Increase In Assets		
Cash on Hand and Balances with Bank of Israel and Banking Institutions	1,016,274,654	349,506,457
Securities	314,789,632	124,038,762
Loans to Government of Israel	83,081,114	(50,542,246)
Loans and Bills Discounted	1,080,023,460	269,653,167
	2,494,168,860	692,756,140
Other Items		
Redemption of Capital Notes	25,236,810	-
Acquisition of Bank Premises, Equipment and Other Assets	10,458,759	5,804,538
Cash Dividend, Gross	2,200,000	1,320,000
Increase in Other Accounts	19,430,896	18,478,320
	57,326,465	25,602,858
Total Application of Funds	2,551,495,325	718,358,998

هكذا من الأصل

Barclays Discount Bank Ltd. and Subsidiaries

notes to the financial statements of the bank and to the consolidated financial statements of the bank and its subsidiaries as at 31st december 1977

1. **Significant Accounting Policies**

a. Principles of Consolidation

(1) The consolidated financial statements are based on the audited financial statements of the Bank and its Subsidiaries (see Note 9), which were prepared in accordance with directives regarding preparation of annual financial statements of commercial banks, issued by the Examiner of Banks.

(2) The financial statements of the provident funds managed by the Bank, which by definition of the Securities Law – 1968, constitute subsidiaries, are not included in the consolidated statements, since the Bank has no share in their assets and income, with the exception of its deposits with the Severance Pay Fund, as stated in paragraph 'e' hereunder.

(3) The excess of the Bank's equity in its banking subsidiary over the cost thereof to the Bank, amounting to IL.760,156 is shown in the consolidated balance sheet under the heading "Capital Reserve Arising on Consolidation".

b. Foreign Currency and Linkage

(1) Assets (other than securities) and liabilities in foreign currency and those which are linked are stated as follows:–

a) Those in foreign currency or linked thereto – at the representative rates of exchange published by the Bank of Israel (31st December, 1976 and 31st December, 1975 – at the official rates of exchange).

On 28th October, 1977 the Government of Israel proclaimed certain amendments to the Exchange Control Regulations, which included, inter alia, the free convertibility of the Israel Pound on a floating exchange rate basis. As a result the Israel Pound was devalued on that date by 47%.

The representative rate of exchange for the U.S. $ as at balance sheet date was $1.– = IL.15.39 (31st December, 1976 – the official rate of exchange – $1.– = IL.8.75; 31st December, 1975 – the official rate of exchange – $1.– = IL.7.10).

b) Those linked to the consumer price index – on the basis of the index published for the month of November 1977, of 671.9 points (31st December, 1976 – November 1976 – 468.0 points; 31st December, 1975 – November 1975 – 345.5. points).

(2) a) Linkage increments are included in the Statements of profit and loss on an accrual basis.

b) Income and expenses in foreign currency are included in the statements of profit and loss at rates of exchange in force at the time when the transactions are made.

As to the effect of the devaluation of the 28th October, 1977, see Note 12 hereunder.

c. Securities

Securities are stated as follows:–

Debentures		
Approved for Investment	–	at cost, together with accrued interest and linkage increments.
Other (including Treasury Bills) –		
Quoted	–	at cost, together with accrued interest and linkage increments or at market value, whichever is lower of each debenture separately.
Unquoted	–	at cost, together with accrued interest and linkage increments.
Shares	–	
Quoted	–	at the lower of cost or market value of each share separately.
Unquoted	–	at cost.

d. Bank Premises, Equipment and Other Property

Bank premises, equipment and other property are stated at cost less accumulated depreciation. The depreciation is based on the estimated period of use of the respective assets, by the straight line method.

e. Severance Pay

The provisions for severance pay, which are included under liabilities in the item "Other Accounts (Including Provisions)", equal the commitments of the Bank and its Subsidiaries at balance sheet date with respect to severance pay.

The amounts appropriated to cover the above commitments which are held with Severance Pay Funds, together with interest and linkage increments accrued thereon as at balance sheet date, are included under assets in the item "Other Accounts".

f. Taxes On Income

(1) Full provisions for taxes on income of the Bank and of the Banking Subsidiary have been included in these financial statements. The provision for taxes is after deduction of taxes relating to dividends paid during the year.

(2) Accumulated profits of the consolidated banking subsidiary may incur additional taxes by the Bank, if and when distributed in cash. It is not reasonable to assume, however, that the profits of the above subsidiary, relating to prior periods, will in fact be distributed by way of cash dividends.

2. **Securities**

a. Debentures

	31st December, 1977 Bank IL.	31st December, 1977 Consolidated IL.	31st December, 1976 Bank IL.	31st December, 1976 Consolidated IL.
Debentures of the Government of Israel				
Debentures approved for Investment:–				
Quoted	169,553,659	170,673,165	137,360,653	137,514,499
Unquoted	84,230,052	94,219,950	59,720,971	66,904,412
Other Debentures:–				
Quoted	813,087	813,087	6,340,673	6,340,673
Unquoted	142,766	258,858	4,116,648	4,205,997
	254,739,564	265,965,060	207,538,945	214,965,581
Other Debentures				
Debentures approved for Investments:–				
Quoted	113,641,602	113,641,602	83,657,630	83,657,630
Unquoted	343,087,787	343,087,787	106,122,710	106,122,710
Other Debentures:–				
Quoted	501,206	501,206	475,080	475,080
	457,230,595	457,230,595	190,255,420	190,255,420

Further details in respect of Quoted Debentures:–

Debentures approved for Investment:–				
Balance Sheet amount of Debentures:–				
Of the Government of Israel	169,553,659	170,673,165	137,360,653	137,514,499
Of Other Companies	113,641,602	113,641,602	83,657,630	83,657,630
	283,195,261	284,314,767	221,018,283	221,172,129
Market Value of Debentures:–				
Of the Government of Israel	185,452,583	186,700,860	152,295,612	152,473,922
Of Other Companies	120,205,701	120,205,701	95,257,935	95,257,935
	305,658,284	306,906,561	247,553,547	247,731,857
Other Debentures:–				
Balance Sheet amount of Debentures:–				
Of the Government of Israel	813,087	813,087	6,340,673	6,340,673
Of Other Companies	501,206	501,206	475,080	475,080
	1,314,293	1,314,293	6,815,753	6,815,753
Market Value of the Debentures:–				
Of the Government of Israel	850,911	850,911	6,891,374	6,891,374
Of Other Companies	524,880	524,880	543,308	543,308
	1,375,791	1,375,791	7,434,682	7,434,682

b. Shares

Of Subsidiaries Unquoted	5,000,190	–	5,000,190	–
Of Other Companies Quoted	629,667	629,667	15,829	15,829
	5,629,857	629,667	5,016,019	15,829

Futher details in respect of quoted shares:–

Balance Sheet Amount of Shares:– Of Other Companies	629,667	629,667	15,829	15,829
Market Value of the Shares:– Of Other Companies	731,252	731,252	20,976	20,976

c. Accrued Interest and Linkage Increments included in "Securities" as detailed above are as follows:–

	31st December, 1977 Bank IL.	31st December, 1977 Consolidated IL.	31st December, 1976 Bank IL.	31st December, 1976 Consolidated IL.
Debentures of the Government of Israel				
Debentures approved for Investment:–				
Quoted	105,192,352	105,463,752	69,122,640	69,178,486
Unquoted	49,415,994	55,892,894	28,498,860	32,470,388
Other Debentures:–				
Quoted	64,639	64,639	1,193,556	1,193,556
Unquoted	2,000	4,500	920,854	920,854
	154,678,985	161,425,785	99,735,910	103,763,284
Other Debentures				
Debentures approved for Investment:–				
Quoted	68,126,546	68,126,546	36,820,140	36,820,140
Unquoted	117,956,505	117,956,505	32,324,273	32,324,273
Other Debentures:–				
Quoted	–	–	138,184	138,184
	186,083,051	186,083,051	69,282,597	69,282,597

d. Debentures approved for investment are held mainly as cover for approved savings schemes, the terms of which require commercial banks in Israel to hold such debentures until redemption.

e. Debentures approved for investment of the Government of Israel include unquoted Compulsory Government obligations which are not transferable by law as follows:–

	31st December, 1977 Bank IL.	31st December, 1977 Consolidated IL.	31st December, 1976 Bank IL.	31st December, 1976 Consolidated IL.
Amount in Balance Sheet	28,622,739	38,513,657	20,453,193	27,636,624
Accrued Interest and Linkage Increments	14,524,623	20,997,528	9,296,558	13,268,086

3. **Bank Premises, Equipment and Other Assets**

This item includes an insignificant part of the Bank Premises which have not yet been registered with the Land Registry Office in the name of the Bank.

4. **Capital, Reserves and Surplus**

a. Share Capital

Comprises –

	Registered IL.	Issued and Paid IL.
Ordinary "A" Shares of IL.10.–	24,500,000	5,511,000
Ordinary "B" Shares of IL.10.–	24,500,000	5,475,000
Ordinary Shares of IL.1.–	1,000,000	14,000
	50,000,000	11,000,000

b. General Reserve

The movement in the General Reserve is as follows:–

	31st December, 1977 Bank IL.	31st December, 1977 Consolidated IL.	31st December, 1976 Bank IL.	31st December, 1976 Consolidated IL.
Balance at Beginning of the Year	14,000,000	15,741,933	10,000,000	11,343,750
Transfer from Statement of Profit and Loss	6,000,000	6,497,734	4,000,000	4,398,183
	20,000,000	22,239,667	14,000,000	15,741,933

5. **Capital Notes**

Capital notes in the amount of U.S.$6,560,000 are subordinated and their balance is redeemable in four equal annual instalments, during the years 1978 – 1981. The terms of issue of the capital notes provide, inter alia, for certain restrictions on obtaining loans and other indebtedness not in the ordinary course of business of the bank. Interest on the notes is payable semi-annually at a rate at which six month deposits of similar amounts and currency are offered to first class banks in the London Inter-Bank Market by Barclays Bank International Limited, London. The average rate of interest paid in respect of the current year is 5.875% per annum (1976 – 7% per annum). Interest in respect of the period of six months up to 30th June 1978, has been fixed at 7.5% per annum.

6. **Bank of Israel**

	31st December, 1977 Bank IL.	31st December, 1977 Consolidated IL.	31st December, 1976 Bank IL.	31st December, 1976 Consolidated IL.
Credit from Bank of Israel included in the item "Deposits and Loans from Bank of Israel and Banking Institutions". Part of the amount relating to the Bank is secured by certain securities of the Bank in conformity with the terms fixed by Bank of Israel	7,787,000	8,311,000	19,670,900	20,642,875
Credit from Bank of Israel in connection with funds for the financing of export and other funds – included in the item "Deposits and Loans from Bank of Israel and Banking Institutions for Loan Purposes" and secured by clients' bills and securities in conformity with the terms fixed by Bank of Israel	1,297,828,513	1,318,864,616	497,479,130	509,786,985
Amounts deposited with Bank of Israel under the terms of the funds for financing of export – included in the item "Cash and Balances with Bank of Israel and Banking Institutions"	17,422,693	19,716,417	58,203,591	60,722,224

7. **Commitments and Contingent Liabilities**

a.

	31st December, 1977 Bank IL.	31st December, 1977 Consolidated IL.	31st December, 1976 Bank IL.	31st December, 1976 Consolidated IL.
Commitments in respect of Investments in Building and Equipment	3,763,000	3,763,000	945,000	945,000

b. On 1st February, 1976 it was discovered that the Offices of the Ramat Gan Branch of the Bank were broken into and the contents of a part of clients' safe deposit boxes were stolen. The owners of the said boxes have made declarations before the Police Authorities as to the items stolen and their value. Some of the contents of these boxes were recovered by the Police and a part thereof has been returned to the owners in accordance with a Court decision.

Notwithstanding the fact that the Bank does not assume any responsibility for the damage caused to its above mentioned clients, an agreement was reached between the Bank and a large group of the owners of the safe deposit boxes in question, for the payment of partial compensation in respect of the value of those items kept in the safe deposit boxes, for which evidence of existence can be produced.

The Bank does not expect to incur any losses arising from the robbery as all payments to be made in connection therewith will be covered by an outside party.

FEATURES

Dancing year

DANCE
Dora Sowden

Rina Schenfeld in Mirali Sharon's "Lyric Episodes."

THE BATSHEVA Dance Company has already "kicked off" what looks like a swinging year for dance in Israel with two works by its new artistic director Paul Sanasardo. Bat-Dor Dance Company will open its season with a reception marking its 10th anniversary on February 9.

Next month the **Stuttgart Ballet** will pay a return visit to Israel with programmes devoted mainly to works by the late **John Cranko.** Also to be included are ballets by **Glen Tetley** (who succeeded Cranko) and Kenneth Macmillan (who was his colleague at the Royal Ballet in London). They have the tone of dedications to Cranko, the director-choreographer who made the Stuttgart Ballet famous. The Batsheva Company, under whose auspices the Stuttgart Ballet will come, has itself revived Cranko's "Song of My People," which he created for the company.

In May, the **Netherlands Dance Theatre,** also internationally celebrated, will come to salute the 30th anniversary of the State of Israel and the 10th anniversary of the Bat-Dor Company and to participate in spring festivals here. The Bat-Dor Company, extending its auspices to the Dutch company, has itself been officially invited to go to Mexico in May. Bat-Dor will participate in the **sixth International Cervantes Festival** with some 14 performances in Mexico. (Bat-Dor, by the way, has issued a handsome calendar to mark its 10th anniversary.)

For Independence Day (May 2) celebrations in Tel Aviv and Jerusalem, three "star" duos will provide a dance programme. **Rina Schenfeld,** leading dancer of the Batsheva Company, will be partnered by American dancer **Dennis Wayne,** who has made a meteoric rise by forming a company called "Dancers," backed by film star Joanne Woodward (wife of Paul Newman) as a kind of cooperative. **Marcia Haydee and Richard Cragun,** principals of the Stuttgart Ballet, will return for this occasion, and **Carolyn Carlson** of the Paris Opera Research Theatre (which was here last year) will have one of her company, **Larrio Ekson,** as partner.

Before that, the Batsheva Company will go to Canada and the U.S. West Coast (April) and after that to Europe (June) and South Africa (October).

There is a chance that the **Australian Ballet** may come en route from festivals in Charleston (South Carolina) to Spoleto (Italy). Deputy administrator of the Australian Ballet, Noel Pelly, has been here to explore possibilities.

For the grand Israel Festival (mid-July to mid-August), the organizers are still keeping their cards close to their chests, but rumour has it that the trump cards will be **Maurice Bejart's "20th Century Ballet"** from Brussels and the **Eliot Feld** company of New York.

The grapevine also transmits that **Valery and Galina Panov** will be back and will appear with an Israeli company.

All the Israeli companies will of course be participants in the Israel Festival and 30th anniversary special events. In addition to the Bat-Dor and Batsheva companies, there will be the Israel Ballet, the Kibbutz Dance Company and the Inbal Dance Theatre. The Israel Ballet, back from its long U.S. tour, is re-organizing and preparing new ballets. Choreographers at work are **Berta Yampolsky, Naomi Aleskovsky** (recently returned from a long stay in Belgium), **Gabi Darvash** (who left Israel to live in the U.S.) and **Heinz Spoerli** the Basel Ballet director whose "Opus 35" has been one of the Israel Ballet successes.

There may also be a visit of **"Das Tanzende Theatre"** from Bern, Switzerland, directed by Israeli dancer **Roni Segal.**

Peek into suburbia

CINEMA/Domini Keeble

DON'S PARTY (Peer, Tel Aviv) Starring 11 Australians. Directed by Bruce Beresford.

"DON'S PARTY" is utterly vulgar, terribly funny and surprisingly good. Five young couples and a deserted husband, who excells in pornographic photographs (which this film is not in any way), gather in a suburban bungalow on the night of the 1969 Australian elections. The unexpectedly disappointing results trigger off a snowballing series of inflammable disputes, insults, indignities, and suppressed truths lurking in hearts and minds of the ill-assorted, so-called friends.

The result is a riot of sex and ill-manners. Action ranges from outright infidelity to urinating in the bushes; and the clever dialogue from financial squanderings to the relative competence of male sexual organs.

Originally a play by David Williams, which enjoyed successful runs in Australia and London, it has been transferred to the screen with quality by Australian director Bruce Beresford. Quite shamelessly it captures the mood, language and disagreeable behaviour of a certain strata of middle-class Australia — when the booze is running free.

The acting — an all Australian cast — is excellent, including Ray Barrett and Veronica Lang, both well-known on British television; and Kit Taylor, one-time child-star opposite Robert Newton in "Treasure Island."

The feel of the Australian summer, the sound of the night crickets and the intimate camera work all contribute to the success of this otherwise unsuccessful party. In all it is more sad than it is shocking (once you overcome your embarrassment), and this too is the lingering mood as day breaks.

* * *

A SPECIAL DAY (Gat, Tel Aviv) Starring Sophia Loren and Marcello Mastroianni. Directed by Ettore Scola. Italian dialogue.

SINCE this film's subtitles are in French and Hebrew only, a few explanations are in order for English-speaking viewers.

One day in May, 1938, the whole of Rome bedecked itself in honour of Hitler's celebrated visit to Mussolini. Remaining alone in a huge apartment complex is Antoinette (Sophia Loren), a working-class mother with six children. Weary, trapped, envious of the educated, she has no communication with her boorish husband other than to obey his orders. Across the courtyard lives Gabriele, a homosexual, just dismissed from his post as a radio announcer for his anti-Fascist beliefs. For these, he is exiled at the close of the film.

A fly-away parrot brings these two, sad individuals together. Slowly but forcefully (the staging a little too contrived) they squeeze out a few poignant hours of private freedom, defying the loud authoritarian marches and continuous radio commentary violating the atmosphere. They have little to give each other but mutual recognition of their isolation and despair.

Gabriele forces Antoinette to confront her ignorant definition of manhood (synonymous with the totalitarian state) and of male-female relationship — sex only: "I am not married; I am not a father; I am not a soldier," he insists angrily, as she embraces him amid the billowing laundry. "And am I now less a man?"

A scene from "Don's Party."

In contrast his passivity as she makes love is mortifying, accentuating her loneliness. "I didn't say I couldn't," he explains, surfacing from the awful moment. "But it doesn't change anything." Yet they both have reason to be grateful.

Sophia Loren gives a commendable, serious and superbly controlled performance as Antoinette. Her womanliness glows through th[e] poverty and ugliness of her environment, though she remains intrinsically part of it. Marcell[o] Mastroianni is excellently pernickety and lost, deprived of his strengt[h] and dignity.

Director Ettore Scola's handling [is] sensitive and understated; and th[e] remarkable washout colour effect o[f] sepia and red emphasizes th[e] drabness and festivity, despair an[d] wry humour.

Differing soloists

MUSIC REVIEWS

The ISRAEL CHAMBER ORCHESTRA, Semyon Bychkov conducting; with Hamisa Dor, cello; Deborah Schwartz, percussions (Jerusalem Theatre-January 30). Ives: Symphony No.3; Tchaikovsky: Rococo Variations; Milhaud: Concerto for Percussion and Small Orchestra; Tchaikovsky: Serenade for Strings.

AFTER QUITE a spell of unexciting conductors gracing our various rostrums, it was most gratifying to hear Semyon Bychkov, a young and highly promising guest who led the Israel Chamber Orchestra to excellent performances in a varied programme.

Charles Ives' Third Symphony is an easily acceptable work, which received a lively and concentrated reading.

The two soloists — both members of the ICO — were of very different calibre. Hamisa Dor has no qualifications for being a satisfying soloist — it is not enough to barely get all the notes right, with a rather shaky intonation keeping the listener tense all the time. There was no personal contribution in musical expression, which is a prerequisite, particularly in such a hackneyed piece as the Rococo Variations.

On the other hand, Deborah Schwartz quietly worked a whole battery of percussions in a most ef[f]ficient manner, proving not only ex[c]ellent precision but also a full[y] developed sense of sound and colour. She was greatly helped by the char[-]ming, inventive music of Milhaud. [I] am sure I was not alone in regretting that this performance came to suc[h] a quick end.

Our reservations about anothe[r] reading of that over-playe[d] Tchaikovsky Serenade, were quick[ly] dispelled by the conductor, who d[id] wonders with beautifully controll[ed] dynamics and the inspired playing [of] the ICO. Prejudiced listening turn[ed] into an enriching musical event.

YOHANAN BOEH[M]

* * *

HAIFA CHAMBER MUSIC SOCIE[TY] Concert No.6. THE ISRAEL PIA[NO] QUARTET with Peter Mark, double ba[ss] (Haifa, Beth Harofeh, January [..]) Mozart: Prelude for Violin, Viola a[nd] Cello; Dvorak: Piano Quartet in E F[lat] Major, Op.87; Schubert: Quintet ("T[he] Trout") in A Major, Op. 114.

DURING this enjoyable and satis[fy]ing evening the performi[ng] musicians changed from a trio [to a] quintet.

First came the interesting Mozart prelude (written for string trio to a Bach fugue from "The Well-Tempered Clavier.") Dvorak's second piano quartet, rich in melodic inventiveness and exuberance, was given an accurate performance that had vigour and rhythmic aliveness. However, the musicians, accustomed to being soloists, have problems to solve. More effor[t] should be made to ensure a highe[r] level of teamwork.

To mark the 150th anniversary o[f] Schubert's death, the ensembl[e] played "The Trout" Quintet. Thi[s] lovely composition emerged bette[r] balanced, and the musicians' dedicated rendition established [a] rapport with the audience.

Pnina Salzman played her pa[rt] with impressive technical and inte[r]pretative resourcefulness and wi[th] charm, applying subtle and sensitiv[e] colouring.

ESTHER REUTE[R]

Pioneer in finance

There have been many kinds [of] pioneering, not all glamorous but a[ll] requiring single-minded dedicatio[n] in the history of modern Isra[el]. Abraham Dickenstein, who died [in] Tel Aviv a year ago at the age of [..] was one of the country's pioneers [in] finance who opened up new avenu[es] of development.

He belonged to the elite group [of] early emissaries, but his was a mi[s]sion with a difference. It was in 19[..] that "Abe" Dickenstein was sent [to] the United States to sell Ban[k] Hapoalim shares. Without means o[r] language, armed only with tenaci[ty] of purpose and an ingrained stu[b]bornness, he proved remarkabl[y] successful by the standards of tho[se] days.

Inspired by that initial achiev[e]ment, Dickenstein began to dream [of] establishing an American financi[al] corporate instrument which wou[ld] mobilise finance and investme[nt] resources among U.S. Jewry an[d] channel such funds to the public an[d] labour sector of the Yishuv's infa[nt] industrial and agricultural econom[y]. It was during the dark days of the Se[c]ond World War, with Rommel at th[e] very gates of Egypt, that the Amp[al] — American Israel Corporation wa[s] established with an initial capital o[f] $99,000.

This was the first step in Abraha[m] Dickenstein's single-handed cam[-]paign to remove what he considere[d] the "stigma of philanthropy" fro[m] relations between the Am[erican] Jewish community and the Yi[shuv in] Palestine. It was an uphill [...] He drove himself relentl[essly ...] task. He demanded— and [...] — the same dedication [...] chose to work with him. [...] penetrated community [...]munity and previously close[d ...] in the financial world opened [...] him.

Today the corporate en[tity ...] Abe Dickenstein initiated [...] boasts of a rapidly ex[...] balance sheet of close to [...] For launching this great [...] Dickenstein takes his certain [place] among Israel's pioneers.

— RALPH COHE[N]

Barclays Discount Bank Ltd. and Subsidiaries

בבד BDB

notes to the financial statements of the bank and to the consolidated financial statements of the bank and its subsidiaries as at 31st december 1977

8. Parent Companies and Subsidiaries

Assets and liabilities include items relating to parent companies and subsidiaries as follows:-

	Parent Companies — Bank 31st December, 1977 IL.	Parent Companies — Bank 31st December, 1976 IL.	Parent Companies — Consolidated 31st December, 1977 IL.	Parent Companies — Consolidated 31st December, 1976 IL.	Subsidiaries — Bank 31st December 1977 IL.	Subsidiaries — Bank 31st December 1976 IL.
Assets						
Cash and balances with Bank of Israel and Banking Institutions	58,034,158	181,634,851	83,522,647	181,699,727	86,536,339	56,509,447
Securities - Shares	-	-	-	-	5,000,190	5,000,190
Loans and Bills Discounted	-	-	-	-	48,637,544	25,926,435
Loans out of Deposits for the Granting of Loans	4,217,000	3,916,000	4,217,000	3,916,000	-	-
Other Accounts	27,000	-	27,000	-	-	115,766
Liabilities of Customers - For Documentary Credits	163,923	1,164,880	163,923	1,164,880	-	-
For Guarantees and Other Liabilities	1,088,425	900,000	1,088,425	900,000	-	-
Liabilities						
Capital Notes	88,636,608	63,017,280	88,636,608	63,017,280	-	-
Demand Deposits	6,070	-	6,070	-	-	-
Deposits and Loans from Bank of Israel and Banking Institutions	2,542,050	96,739,870	2,542,050	99,163,773	45,848,195	20,911,286
Other Accounts	118,000	-	118,000	-	15,000	9,000
Liabilities on Account of Customers - Documentary Credits	36,260,339	5,540,940	49,940,634	18,683,993	-	-
Guarantees and Other Liabilities	20,061,734	6,016,068	20,061,734	6,016,068	93,843,000	90,879,238

A Parent Company has undertaken to indemnify the Bank in respect of guarantees and other liabilities in the amount of IL.113,000,000 (31st December, 1976 - IL.95,000,000).

9. Subsidiary Companies

a. The Bank's share, directly or through subsidiaries, in the capital and voting rights of consolidated subsidiaries is as follows:-

	31st December, 1977 %	31st December, 1976 %
The Mercantile Bank of Israel Limited	99.5	99.5
BBD Nominees Limited	100	100
Bar-Dis Limited	100	100

b. The assets of the unconsolidated Provident Funds (except for Provident Funds of the Bank's employees) and the liabilities to their members, as at 31st December, 1976, amounted to IL.91,217,264 (31st December, 1975 - IL.58,886,876).

10. Other Expenses

This item includes Value Added Tax on salaries amounting to IL.4,940,510 (preceding year - IL.3,279,280) in the Bank's Statement of Profit and Loss and IL.5,665,510 (preceding year - IL.3,626,280) in the Consolidated Statement of Profit and Loss.

11. Taxation on Profits

a. The item "Provision for Taxation" includes Value Added Tax levied on taxable income amounting to IL.3,036,000 (preceding year - IL.1,470,000) in the Bank's Statement of Profit and Loss and IL.4,430,000 (preceding year - IL.2,420,000) in the Consolidated Statement of Profit and Loss.

b. The Bank has received final income tax assessments up to and including the year 1972. The Bank has also received from the Income Tax Authorities an assessment for the year 1973 which was contested by the Bank. The Tax Assessor subsequently issued an administrative order of final determination and the matter is being litigated in the District Court of Tel-Aviv - Yaffo. The amounts under dispute are covered by ample provisions..

Final Tax Assessments for the Banking Subsidiary have been received up to and including the Year 1972.

12. Extraordinary Income, Net

Comprises -

	Bank IL.	Consolidated IL.
Gain on Devaluation, Net	3,543,278	5,153,203
Less: Provision for Taxation *	2,251,000	3,273,000
	1,292,278	1,880,203
Capital Gains, on Realization of Fixed Assets, Net	3,490,565	3,490,565
Less: Provision for Taxation *	1,119,724	1,119,724
	2,370,841	2,370,841
Total	3,663,119	4,251,044

* Provisions for Taxation include Value Added Tax levied on income amounting to IL.395,000 in the Bank's Statement of Profit and Loss and IL.500,000 in the Consolidated Statement of Profit and Loss.

13. Statement Pursuant to Section 107 (5) of the Companies Ordinance

Profits of the Banking Subsidiary have not been included in the Bank's accounts except for dividend received. The other subsidiaries have neither profits nor losses.

AUDITORS' REPORT TO THE SHAREHOLDERS OF BARCLAYS DISCOUNT BANK LIMITED

We have examined the Balance Sheet of Barclays Discount Bank Limited and the Consolidated Balance Sheet of the Bank and Subsidiaries as at 31st December, 1977, and the related Statements of Profit and Loss and changes in Financial Position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, including those prescribed under the Auditors' Regulations (Mode of Auditor's Performance) - 1973, and accordingly we have applied such auditing procedures as we considered necessary in the circumstances.

In our opinion, the above financial statements present fairly, in conformity with generally accepted accounting principles, the financial position of the Bank and of the Bank and its Subsidiary Companies on a consolidated basis as at 31st December, 1977, and the results of their operations and changes in their financial position for the year then ended.

Pursuant to Section 109 of the Companies Ordinance we state that we have obtained all the information and explanations we have required and that our opinion on the above financial statements is given according to the best of our information and the explanations received by us and as shown by the books of the Bank and Subsidiaries.

BRAUDE & CO. Certified Public Accountants (Isr.)

SOMEKH, CHAIKIN, CITRON & CO. Certified Public Accountants (Isr.)

JOINT AUDITORS

Tel Aviv, 29th January, 1978

هكذا من الأصل

THE MODERN OFFICE

Fighting telephone pests

By WILLIAM SCOBIE

LOS ANGELES (Ofns). — Battle has been joined in California over a new telephonic horror, the seemingly unstoppable advertising "junk call" — now computerized — which is invading homes across the United States.

A lead in the struggle against this multi-billion dollar industry has been taken by the California Public Utilities Commission, which is attempting to ban use of a novel device which is programmed to call every number on an exchange, listed or unlisted, in alphabetical sequence. It can even keep your telephone tied up after you slam the receiver down.

The Commission's move has roused telephone solicitation firms to strike back with threats of action in defence of "free speech" in this land of private enterprise. But some seven million Americans who are already receiving unwelcome commercials annually may also have something to say.

Among them is Dr. Walter Baer, a Rand Corporation physicist who, working late one night in the Santa Monica think-tank, became the target of a string of unsolicited calls from encyclopaedia salesmen, insurance agents and book-pedlars.

Defeated in his effort to complete an important paper, Baer decided he could take no more. He petitioned the Federal Communications Commission for relief in the shape of public hearings on how to put constraints, if not a total ban, on use of the machines. Specifically, he asks that people should be able to have their names removed from calling lists "in the same way as we can tell the Post Office to stop delivering junk mail."

Baer notes that each electronic dialler has the potential of calling up to 1,000 homes or offices a day — or night (when most of the family is home). "One operator, using one computer-driven dialler could make a quarter-million calls a year. If 400 machines were in use, and they soon may be, the U.S. would be hit with 100 million junk calls annually."

A recording on the telephone that can't be disengaged can give a person the feeling that someone is making a monkey out of him. (Unipix)

Telephone-peddling by human agency is already a major growth industry, employing some 200,000 people. They offer everything from diet plans and dictionaries to chest-expanders and face-cream. Although a good half of subscribers hang up at once, an astonishing three million listen to the full message, and 470,000 of them, says the industry, buy something. The annual turnover in goods and services is put at nearly $5.7 billion.

Often, the publicity spiel comes in the voice of a Hollywood celebrity. Individuals hired by companies place a call, tell the subscriber to hold on for an "important message": there's a click, then, "Hello! I'm Doris Day, and I'd like to invite *you* to become a studio beauty girl adviser..." Miss Day is selling cosmetics. Actor Charlton Heston makes a recorded pitch for cable television. Sports star Mickey Mantle promotes a muscle exerciser called "the Bullworker."

There is often no way to disengage the recording once it has begun. Emergency calls for medical and other aid have been blocked for up to six minutes while a sales pitch droned on. "We're receiving hundreds of complaints, mostly about the new automatic machines, and the number is rising daily," said an FCC spokesman.

The industry retorts that telephone hucksterism is vital to the U.S. economy. "What's more," said William Norcutt, chief of Selling Systems, Inc. which markets the machine, "the sequential dialler is on the verge of a mighty boom. It'll be used in banks, for bill collection; by doctors and dentists to remind patients about appointments; by politicians getting out the vote. This is not just a nuisance invention."

Maybe, but consumer group pressure has led to a bill in Congress, with co-sponsors, which would allow subscribers to have their names taken off calling lists. With the industry girding for a fight, however, it could be years before a resolution is reached.

Repairing the damage to a cherished image

Swiss banks to refuse 'dirty money'

By NORRIS WILLATT

LUGANO (Ofns). — It's now official: Swiss banks won't accept any more "dirty money," that is, funds they know or suspect to be the proceeds of criminal activities, such as counterfeiting, fraud, robbery, kidnapping.

The new policy, unofficially announced last June, has now been formalized by an official convention between the Swiss Bankers' Association, to which most Swiss banks belong, and the Swiss National Bank, the central bank of the country.

In view of the news, one point needs to be cleared up fast. The Swiss do not consider "dirty" money includes cash deposited in their banks in violation of exchange control regulations in the country of origin, or to evade the payment of taxes there. This will probably be a relief to many people who have in the past used Swiss banks for just that purpose, or hope to do so in the future.

The Swiss don't have any exchange controls (and so don't see why they should respect those imposed by other governments), and tax evasion isn't a criminal offence. However, as part of the new code of good behaviour, Swiss bankers do promise not to encourage foreigners to export capital illegally by such actions as appointing agents abroad to drum up such business and providing couriers to transport the funds.

The new banking code seems designed to preserve as far as possible Switzerland's reputation as a safe haven for cash, securities and other assets whose owners want (including from perfectly proper motives) to conceal them from prying eyes; but at the same time to get rid of the bad odour created by some recent Swiss banking scandals.

Outstanding in this respect has been the Credit Suisse affair, which created such a stink last year when officers of the branch at Chiasso, on the border with Italy, were charged with diverting some 2.17b. Swiss francs (about IL15.5b.) belonging to 1,000 or so Italian clients into unauthorized investments through the medium of a Liechtenstein letter box company.

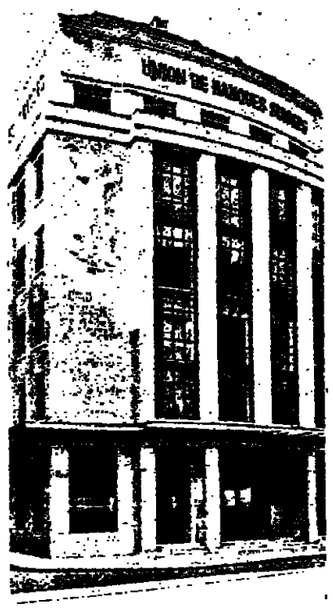
When the investments — in the wine, food, restaurant, resort and plastics industries — went bad, Credit Suisse became liable because the officers in Chiasso, without the knowledge of head office (so the latter claimed), pledged the bank's funds as a guarantee. This cost the bank some hundreds of millions in francs — the precise sum was never revealed.

The Swiss authorities were as scandalized as anybody, and moved swiftly to try to repair the damage to the image of the country's cherished banking business.

The measures taken are an ingenious compromise. They seek to create an impression of probity without frightening valued clients who, whatever their status in Switzerland, might well have earned a bad reputation in their own countries.

From now on, in theory at any rate, any Swiss banker who is asked by a foreigner to become trustee or custodian for cash, securities, the contents of a safe deposit box, or any other type of asset, will be expected to satisfy his own mind that the assets are not the proceeds of criminal activities before consenting.

If he feels any doubt, he will be expected to demand that the foreigner provide proof of identity, including a signature witnessed by a consular official. The responsibility also extends to the identification of the beneficial owner of the assets, in cases where an intermediary is used; a written statement will be required setting out clearly who really owns or controls the funds. Similar documentation will be required for letter box companies in Switzerland under foreign control.



The Swiss authorities are trying to create an image of probity.

If it is evident to the banker, or he strongly suspects, that the funds are "dirty," then under the convention he is required to refuse them. For obvious reasons, the banks have never admitted that they handle that kind of business, but the evidence at times has appeared incriminating.

For instance, just as the details of the new convention were being announced, the border police in Italy seized a large haul of 100,000 lire banknotes from a motorist coming from Switzerland, some of whose serial numbers coincided with those of ransom money paid over early in 1976 to secure the release of a kidnapped Italian film producer. The case is not isolated.

The loss of such business, assuming that the new procedures for investigation and accreditation are rigorously applied, should not cost Swiss banks all that much. Not so long as there is no interference with *their "legitimate" business of taking* in "flight" capital, even if only in a passive role.

All the evidence is that in the world of the present moment, with all its financial, economic, social and political uncertainties, a good many well-to-do people don't need any encouragement to channel assets to the security of a Swiss bank by fair means or foul, from their own country.

In proof, as the new convention came into effect, Swiss bankers in the Chiasso area, and in the adjoining community of Lugano, noted a revival of the flow of "flight" lire across the border from Italy, including funds exported illegally according to Italian (though not Swiss) law. This was in spite of much more severe penalties recently imposed by the Italian authorities for those caught in the act.

All in all, it seemed that any bad taste left over from the Credit Suisse affair was less offensive in Italy than the whiff created by other developments, such as the possibility that Communists might become part of the new government in Rome.

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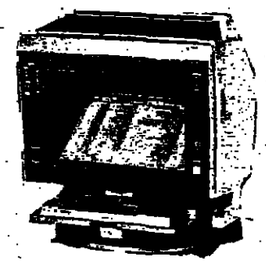

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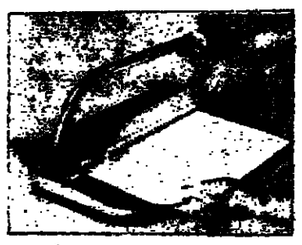

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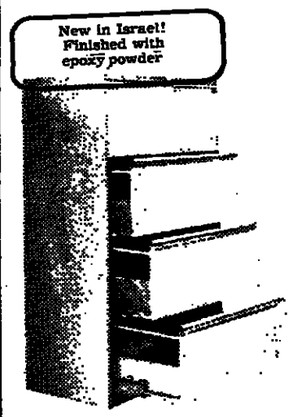

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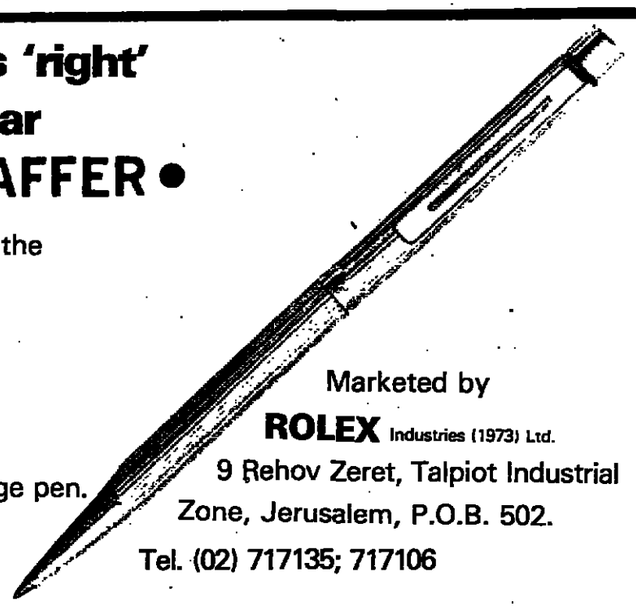

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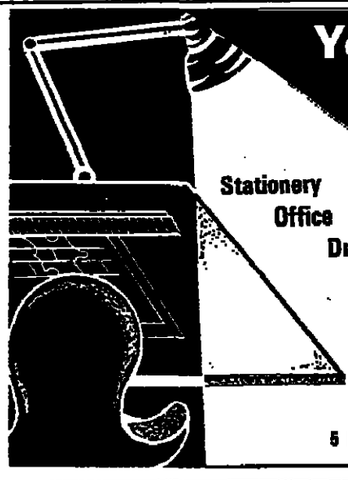

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המפעל : קיסר—תעשיות ושווק בע"מ, אזור התעשיה ארז

Tough fixture for Yehud

SOCCER PREVIEW/Paul Kohn

TEL AVIV — The first six teams in the National League all play away from home this Saturday, which could result in surprise results and position changes at the end of play.

Tough fixtures look in store for second-place Yehud Hapoel and third-place Jerusalem Betar, both within striking distance of the league leadership.

Yehud play at the Bloomfield Stadium against the much improved Tel Aviv Hapoel, undefeated in their last six games and winners of four of them. Playing on their own ground with their new confidence, Tel Aviv Hapoel will be a tough nut to crack. But facing them is the surprise team of Israel football this season, Yehud Hapoel, who have yielded only five goals in 15 games. All indications are for a low-scoring match, but I fancy the Tel Avivians may just manage a winning goal.

Jerusalem Betar also face a team in form. Jaffa Maccabi, which has won seven of a possible eight points in its last four games. Jaffa Maccabi in these weeks have begun to look like last season's team which swept into the European Inter-Toto competition. On the other hand, Jerusalem Betar seem to have the shine off them. But they are basically such a strong midfield team that they may hold Jaffa to a draw.

Leaders Netanya Maccabi appear to have an easier task than their nearest rivals. They play in Acre this Saturday, and if Lavie, Machness, Gariani and Co. can produce the form they showed in beating Hadera Hapoel 5-1 last Saturday, they must be *favoured to win another* two points.

The Tel Aviv derby between Betar and Maccabi is an intriguing clash. Maccabi have produced a variety of form this season. They looked indifferent against Jerusalem Hapoel (3-1) at this ground last week, and only two goals by Moshe Schweitzer in the dying minutes of the game saved the champions' reputation. With these goals, Schweitzer should now have won his way back to a regular place in the team. On paper, Tel Aviv Maccabi still appear as one of the strongest sides in the country, and though officially playing "away," should have the edge over Betar at the Bloomfield Stadium.

At the Katamon ground, Jerusalem Hapoel entertain Haifa Hapoel. The Haifaites, after a good start to the season, have been finding it difficult to get goals. Both teams have scored only 14 goals this season, indicating another low scoring game, which the home side should not lose.

Hadera Hapoel have lost their last four games, after an excellent start to the season, and this poor patch has dropped them to 12th place. The unpredictable Tel Aviv Shimshon visit Hadera with the home side. A good opportunity to return to winning ways. The Hadera weakness is in goal, where Michaeli seems to have lost confidence.

Nearly 200 persons managed to get all 13 games on the sportoto marked correctly last week, each winning IL11,300. Twelve results will be worth only IL215, and 11 right will get about IL25. There will be no payout for ten correct results.

Sportoto announced a minimum IL4m. in prize money after this week's games, including IL2m. to be divided among those getting all 13 results right.

SPORTOTO GUIDE

Tel Aviv Hapoel v Yehud Hapoel	1
Tel Aviv Betar v Tel Aviv Mac.	2
Hadera Hapoel v Shimshon	1
Jerusalem Hapoel v Haifa Hap.	1
Hakoah v Beersheba Hapoel	x
Acre Hapoel v Netanya Maccabi	2
Jaffa Mac. v Jerusalem Betar	x
Ramat Gan Hap. v Petah Tikva Mac.	2
Ashdod Hap. v Netanya Hapoel	x
Holon Hapoel v Haifa Hapoel	x
Tirat Hacarmel Hap. v Kfar Sava Hap.	2
Rishon Lezion Hap. v Bnei Yehuda	1
Petah Tikva Hap. v Beit Shemesh Hap.	1

Swedish tennis squad to train here

By JACK LEON
Jerusalem Post Sports Reporter

TEL AVIV. — An official Swedish youth tennis team is coming here this month for 10 days of training and competition at Ramat Hasharon's Israel Tennis Centre (ITC). This will be the first time that the 14-court centre will be used for training purposes by overseas players since it opend two years ago.

The squad, consisting of Sweden's nine top-ranking boys and girls, ages 12 to 16, will undergo intensive training by the centre's coaching staff. The schedule also includes regular matches against leading local youngsters and an international against Israel's junior team.

The scheme is sponsored by the Swedish Lawn Tennis Federation and arranged by the ITC and the Israel Lawn Tennis Association. The Federation's liaison officer here, Jane Simby, told *The Jerusalem Post* that the Swedes are currently expanding their winter facilities to complement those they have in Italy and Spain.

The squad is coming to Israel on the recommendation of an officially entered Swedish team which competed in the 1976 Succot international *tennis championships at the ITC*. Team captain Margareta Forsgardh, a former Swedish No. 1 player, told *The Post* after that tournament: "The centre's facilities are superb and eminently suitable for the requirements of our youth training programme."

The young visitors and their escorts, due on February 15, will stay with families in the Ramat Hasharon area.

CLASSIFIEDS

DEADLINES Jerusalem: Weekdays: 10 a.m. of day prior to publication. For Friday's paper: 5 p.m. on Wednesday. For Sunday's paper: 3 p.m. on Thursday. Tel Aviv and Haifa: Weekdays and Friday: 12 noon two days prior to publication. For Sunday's paper: 12 noon Thursday.

Ads are accepted at all offices of The Jerusalem Post (for addresses see masthead on back page) and at all recognized advertising agencies.

Weekday rates: Minimum charge of IL60 for eight words: IL7.50 for each additional word. Friday and holiday eve rates: Minimum charge of IL80 for eight words: IL10 for each additional word. These rates do not include VAT.

WHERE TO STAY

TEL AVIV "MONOPOL" HOTEL, 4 Allenby. "Imperial" Hotel, 66 Hayarkon. Reasonable prices, conveniences in rooms, big reduction for groups!

DWELLINGS

JERUSALEM

PUBLIC INSTITUTION wants to rent 3-4 room flat with telephone, French Hill, Givat Hamivtar, Ramat Eshkol, Neve Yaacov. *Phone offers to Tel. 03-212484, no agents.*

TALPIOT — 4 & walk-in closet, heating, storeroom (24 sq.m.). Tel. 02-712455.

FOR SALE, apartment, 4 rooms 3rd floor, for religious, Sanhedria. $45,000. A.M.K.V. Company. Tel. 221296, 221094.

TEL AVIV

WANTED FURNISHED ROOM for single person (man), central and quiet. Offers to: "Room." P.O.B. 6437, Jerusalem.

OTHERS

2 BEDROOM FLAT — furnished — required month of July or August. Contact M. Laxer, 594 Carleton-Chomedy, Laval, Quebec, Canada.

INSURANCE

BEFORE RENEWING household and automobile insurance, phone Goshen Tel. 03-717611.

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WANTED: BICYCLE for 12 year-old. Tel. 02-528181, ext. 235.

DISHWASHER and 13,900 B.T.U. Airconditioner. Call, Country Club Hotel, Tel. 03-414573, 03-415261, room 301.

SITUATIONS VACANT

IN NEVE AVIVIM, woman for child care + household help, half day. References. Tel. 03-423003.

SITUATIONS WANTED

ENGLISH SPEECH THERAPIST seeks part-time work. Tel. 02-717568.

AMERICAN, 41, M.A. French-American Universities, teaching experience, photography skills; potential employers contact: Katz, Bridgefoot Cottage, Kemnay AB5 9LP Scotland.

VEHICLES

VOLVO 343 (1,500km), radio, passport sale. Tel. 02-282421, Gorkin.

AUTOBIANCHI elegant, 1977, with only 5,000 km. Passport to passport. Country Club Hotel. Tel. 03-414573, 03-415261. Room 301.

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The Jerusalem Khan **Israel Broadcasting Authority**

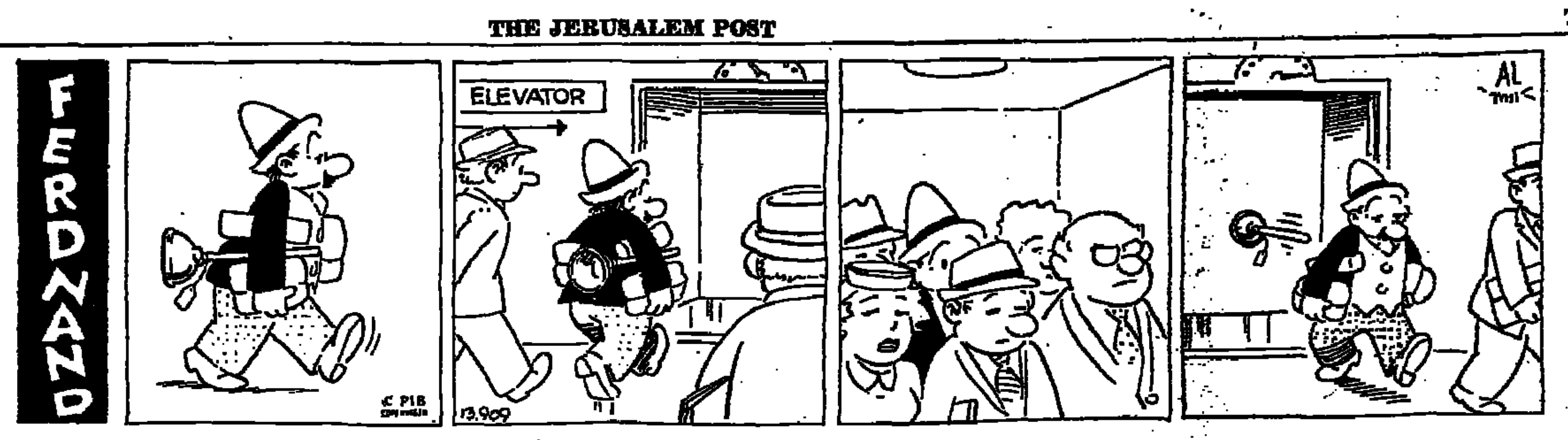
Weekly Chamber Concert

at the Jerusalem Khan, Sunday, February 5, at 8.30 p.m.

Vidom Trio

(Schwarzberg-Drobinsky-Derevianko)
Programme:
Schumann: Trio No.2 in F Major, op.80
Martinu: Five short trios
Beethoven: "Archduke trio," op.97

هكذا من الأصل



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ENTERTAINMENT

TELEVISION

EDUCATIONAL: 8.10 Math 7. 8.30 English 6. 9.00 Math 8. 9.20 Children from different neighbourhoods. 9.40 Hebrew language. 10.10 *English 9.* 10.30 Science 6. 10.50 Programme for kindergarteners. 11.20 Children from different neighbourhoods. 12.00 Music. 12.20 Science/Physics 7. 13.00 Advice and Guidance 9. 13.20 French. 16.00 Programme for kindergarteners. 16.15 English 8. 16.35 *Personalities: Aaron Copland.*
CHILDREN'S PROGRAMMES:
17.30 Cartoons
18.00 What's Up: People and events in the news
ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 The Ghost and Mrs. Muir
19.00 I Have a Question: A panel answers complaints from the audience.
19.30 News
HEBREW PROGRAMMES
resume at 20.00 with Match of the Week
20.50 Programme Trailer
21.00 Mabat newsreel
21.30 Foreign Reporter. Documentary film on Tom Fenton who was the CBS' correspondent in Israel from 1974-1977
22.15 Roots. Part two of a twelve-part series based on Alex Haley's bestseller about his twelve-year search for his family origins. Through six generations of slaves and freedmen, Haley traces his ancestry back to West Africa, back to Kunta Kinte, the sixteen-year-old African boy who was sold in the slave markets of the New World in the 1700's
23.15 Behind the Headlines
23.50 News
JORDAN TV
(unofficial): 18.15* Cartoon. 18.30* The outcasts. 19.30 News in Hebrew. 20.00* News in Arabic. 20.30 Upchat Line. 21.10 Bestsellers: Aspen. 22.00 News in English. 22.15* Movie of the Week

★ Shows with asterisks are also on JTV 3.

CINEMAS

TEL AVIV 4.30, 7.15, 9.30

Allenby: Cross of Iron; **Ben Yehuda:** Shattered; **Chen:** Entertainer at Midnight; **Cinema One:** Chatter-Box; **Cinema Two:** The Canterbury Tales 10, 12, 2, 4.30, 7.15, 9.30; **Dekel:** Bittersweet Love 7.15, 9.30; **Esther:** Young Lady Chatterley; **Gordon:** Live for Life 4, 7, 9; **Drive-In:** The Prince and the Pauper 6, Chatter-Box 8, 10.15; **Gat:** A Special Day; **Limor:** Ryan's Daughter 6, 9; **Hod:** *This is* America; **Maxim:** Flesh Gordon; **Mograbi:** Rocky 4.30, 7, 9.30; **Orly:** Face to Face 4.30, 7, 9.30; **Paris:** 12 Chairs 10, 12, 2, 4, 7.15, 9.30; **Ophir:** Viva Knievel; **Peer:** Don's Party; **Cinema Shahaff:** New York, New York 4.30, 7, 9.30; **Studio:** Bobby Deerfield; **Ramat Aviv:** Network 7.15, 9.30; **Royal:** Inside Amy 10, 12, 2, 4, 7.30, 9.30; **Tel Aviv:** Star Wars; **Tel Aviv Museum:** Hester Street 4.30, 7.30, 9.30; **Tchelet:** Thieves; **Zafon:** Cria Cuervos

RAMAT GAN
Armon: Airport 77 6.15, 9; **Hadar:** Young Lady Chatterley 7.15, 9.30; **Lilly:** The Young Lions 7, 9.30; **Oasis:** Annie Hall 4, 7.15, 9.30; **Ordea:** Entertainer at Midnight 4, 7.15, 9.30; **Rama:** The Good, the Bad and the Ugly 7, 9.15. Mon. and Wed. also at 4.30; **Ramat Gan:** The Deep 7, 9.30

HERZLIYA
Tiferet: The Deep 4.30, 7, 9.30; **David:** The Good Earth 4, 7, 9.30

PETAH TIKVA
***Shalom:** I will, I will — for now 7.15, 9.15;*

NETANYA
Esther: Assault of Precinct 13 4.30, 7, 9.15

HAIFA 4, 6.45, 9
Amphitheatre: This is America: **Armon:** Slap Shot 4, 6.30, 9; **Atzmon:** Young Lady Chatterley; **Chen:** The Front Page; **Miron:** The French Guide; **Moriah:** Funny People 6.15, 9; **Orah:** Star Wars 4, 6.40, 9; **Orion:** Tout est permis; **Orly:** Cet obscur objet de desire 6.45, 9; **Peer:** Entertainer at Midnight; **Ron:** Don's Party; **Shavit:** Face to Face 6.45, 9.15

JERUSALEM 4, 7, 9
Arnon: Decameron; **Eden:** L'Homme qui aimait les femmes; **Edison:** The Kung Fu Kid; ***Jerusalem:** Valley of the Dolls 7, 9;* **Habirah:** Ransom; **Orgil:** Black Emmanuelle 6, 9; **Mitchel:** Ryan's Daughter 6, 9; **Orion:** Star Wars 4, 6.30, 9; **Orna:** Fire; **Ron:** Nickelodeon: **The Small Auditorium, Binyenei Ha'ooma:** The Gentleman Tramp 4, 6, 8, 10; **Semadar:** Dr. Zhivago 8.

Ricky Lightstone
of Montreal
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The Israel National Opera
T.A., 1 Allenby Rd., Tel. 03-57227
T.A. 4.2, 6.2, 11.2
Haifa 13.2 Auditorium
The Land of Smiles
T.A. 9.2 Madama Butterfly

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ON THE AIR

First Programme
7.07 Morning Melodies
8.10 Morning concert — Mozart: *Quartet in B Major, K. 589* (Juilliard); Weber: Flute Sonata No. 6 in C Major (Devost); Mendelssohn: Variations and Scherzo (Juilliard); Liszt: Hungarian Fantasy (Philip Entremont, Ozawa); Brahms: Symphony No. 2 (Boult)
10.15 Special Education
10.35 Arabic lesson
10.40 Reflections on the portion of the week
11.35 Folk music from Argentina
12.05 (Stereo): The New Israel String Quartet at the Israel Festival, 1977 — Beethoven: Quartet in D Major, Op. 18, No. 3; Die Grosse Fuge, Op. 133
13.00 (Stereo): Noon concert — Haydn: Concerto No. 4 in F Major for Lyra; C.P.E. Bach: Magnificat:
14.10 Diary of a Prisoner of Zion
15.55 Notes on a new book
16.05 (Stereo): Jerusalem Symphony Orchestra — Berlioz: Le Corsaire Overture (Sergiu Comissiona); Nuits D'Ete (Eunice Alberts, Lukas Foss); Saint-Saens: Symphony No. 3 (Lukas Foss); Ravel: Piano Concerto in G Major (David Bar-Ilan, Lukas Foss); Debussy: Images (Gary Bertini)
20.15 Music magazine
21.00 Everyman's University — Improving your English
21.30 Talmud-lesson with Dr. Avraham Arzi
22.05 (Stereo): The Happy Station with the Netanya Orchestra, conducted by Laszlo Rooth, Bibiana Goldenthal, Meir Rimon, Louis Garb, Brass Quintet of the IPO
23.30 Artists of Yesteryear — Pablo Casals
00.10 (Stereo): Musical Miniatures

Second Programme
12.30 Israeli songs
14.10 Stage and Screen — songs from *musicals*
15.05 Evening of folklore at Kibbutz Geva
16.10 "Any Questions?"
17.10 Telephone games, prizes
18.05 "A Matter of Time"
18.43 Sports commentary
19.00 People and events in the news
19.47 Bible Reading: Jeremiah 25, 26
20.05 My Father's House — Yitzhak Navon, M.K. talks about his childhood in Jerusalem
21.05 Selections presented by the "Canadian Brass Quintet" and the "Robin Hood Band" from California
22.05 Finger on the Pulse — Magazine on health and medicine
23.05 Just Between Us — Gideon Lev-Ari talks about current problems with listeners

Army
6.30 University on the Air — Prof. Amos Shapira and Dr. Baruch Bracha lecture on the "Fundamentals of Public Law in Israel"
9.05 Morning Party — music: "Red Line" — Listeners may call 03-622292 the moment something newsworthy happens
12.05 Songs, regards
12.45 Fifteen Minutes — a brief survey of current events in Israel and around the world
13.05 Hebrew songs
13.30 "5708" — 30 years ago this week — live recording
14.05 Hebrew *hit parade*
18.05 Magazine on economics
18.57 Programme announcements
19.05 Magazine on culture and entertainment
19.50 "5708" (repeat)
21.05 Tonight's Star — Cliff Richards
21.30 University on the Air — Lecture on the "Fundamentals of Public Law in Israel" (repeat)
22.05 Songs
23.05 Psychologists and psychiatrists try to solve listeners' personal problems
00.05 Night Birds — songs, chat with Pnina Bat Zvi

NEWS IN ENGLISH
7.00 (Fourth, Fifth) *
14.00 (Fourth, Fifth) *
18.00 (Fourth) *
20.00 (Fourth) *
22.00 (Fifth) *
00.30 (Fifth) *
* Fourth programme: 737 kHz; Jerusalem area 674; central Israel 1035
* Fifth programme: Short wave and FM 88.2 MHz

FOREIGN LANGUAGE SELECTIONS
French
7.15 (Fourth, Fifth) 15 min. including review of Hebrew press
14.30 (Fourth, Fifth) 30 min.
18.05 (Fourth) 5 min.
20.15 (Fourth) 15 min.
22.30 (Fifth) 25 min.
24.00 (Fifth) 30 min.
Yiddish 6.25, 18.30 (First)
Hungarian 19.15 (Fifth) 15 min. Saturdays (First) 30 min.
Rumanian 6.30, 19.45 (First)
Russian 6.20 (First), 19.15 (First, Fifth)
Georgian 6.10 (First), 19.15 (First, Fifth)
Ladino 6.35 (First), 20.00 (First, Fifth)
Mograbi 6.40 (First), 19.45 (First, Fifth)
Bukharian 6.05 (First)
Castillian Spanish 6.45 (First)

DIAL LOCATIONS
AM in kiloHertz
FM in MegaHertz

		1st Programme	*2nd Programme*
Central Israel	AM:	573	656
	FM:	91.3	95.5
J'm area	AM:	575	656
		1169	710
	FM:	91.3	95.5
Haifa area	AM:	575	1205
	FM:	89.4	103.2
B'sheba area	AM:	575	656
	FM:	88.8	103.8
Safed area	AM:	575	845
	FM:	90.9	101.1
Eilat	AM:	1457	1169
	FM:	102.9	99.3

3rd Programme — short wave and FM 88.2 MHz
4th Programme — 737 kHz; Jerusalem area 674; central Israel 1025
5th Programme — 529 kHz
Army Radio — 1,286 kHz

EASY HEBREW BROADCASTS
News and features twice daily. First Programme — 6.00 a.m. and 18.00 p.m.

NEWS COMMENTARY
Second Programme: Following the news at 7 a.m. 1 p.m. and 7 p.m. **Army Radio:** Following the 8 a.m. and 5 p.m. news and at 11.40 p.m.

TRAVEL INFORMATION

Every Monday to Thursday
FROM JERUSALEM
to Tel Aviv (South): 11.00.
to Bnei Brak & Haifa: 7.30, 16.10.
to Beersheba & Dimona: 18.10.
FROM TEL AVIV (centre)
to Haifa: 6.00, 7.00, 8.00*, 9.00, 10.30, 12.00, 13.00, 15.00*, 16.00, 17.00, 18.30, 20.00.
to Nahariya: 8.10, 12.00, 15.00, 16.00.
FROM TEL AVIV (South).
to Jerusalem: 7.30.
to Beersheba & Dimona: 6.50, 17.52.
FROM HAIFA (centre)
to Jerusalem: 6.54, 15.37.
to Tel Aviv: 5.54, 6.24, 7.24*, 8.24, 9.54, 11.24, 12.24, 13.25, 14.25, 15.24*, 16.24, 17.22, 19.34.
to Nahariya: 6.20, 9.06*, 13.14, 16.06, 17.29.
to Beersheba & Dimona: 15.37.
FROM NAHARIYA
to Haifa & Tel Aviv: 5.33, 7.35, 10.44, 14.35, 18.50.
FROM BEERSHEBA
to Tel Aviv, Haifa & Jerusalem: 7.13, 15.45.
FROM DIMONA
to Tel Aviv, Haifa & Jerusalem: 6.43, 15.15.
★—Express trains.

For all intermediate stations check with Israel Railways timetable.

This schedule is subject to change without prior notice. Readers are advised to call Ben-Gurion Airport Flight Information, (03) 971461-2-3 (or 03-299444 for El Al flights only) for changes in times of Arrivals and Departures.

Thursday
ARRIVALS
0025 El Al 386 Rome
0625 Air France 193 Hongkong, Bangkok, Delhi, Teheran
1325 Alitalia 738 Rome
1345 El Al 146 Mexico, Montreal, Zurich
1350 Austrian 711 Vienna
1445 El Al 564 Teheran
1450 Lufthansa 604 Frankfurt
1505 TWA 800 Washington, New York, Paris
1515 El Al 016 New York, London
1545 Thy 824 Istanbul
1805 Swissair 332 Zurich
1815 El Al 216 London
1825 Cyprair 302 Larnaca
1835 TWA 810 Kansas, Chicago, Boston, Paris, Rome, Athens
1850 British Air 484 London
1855 Olympic 301 Athens
1925 El Al 358 Frankfurt
2035 El Al 324 *Paris*
2140 El Al 542 Athens
2145 El Al 338 Amsterdam, Zurich
2210 El Al 378 Copenhagen
2215 El Al 518 Johannesburg, Nairobi
2225 Air France 132 Paris, Lyon
2335 El Al 386 Rome

DEPARTURES
0650 El Al 563 Teheran
0700 Swissair 333 Zurich
0710 TWA 811 Rome, Paris, Boston
0720 El Al 315 London
0740 Air France 193 Paris
0800 El Al 001 New York
0810 KLM 528 Amsterdam
0820 El Al 337 Zurich, Amsterdam
0850 British Air. 485 London
0900 El Al 015 London, New York
0910 TWA 881 Athens, New York
0930 Air France 131 Nice, Paris
0950 Sabena 202 Brussels
1000 El Al 357 Frankfurt
1020 El Al 323 Paris
1100 El Al 377 Copenhagen
1425 Alitalia 739 Rome
1440 Austrian 712 Vienna
1550 Lufthansa 607 Munich, Frankfurt
1610 El Al 385 Rome
1630 Thy 825 Istanbul
1700 El Al 541 Athens
1840 Sterling 306 Rhodes, Copenhagen
1915 Cyprair 303 Larnaca

GENERAL ASSISTANCE

Jerusalem: Hadassah (pediatrics, ophthalmology), Bikur Holim (internal, E.N.T.), Shaare Zedek (obstetrics, surgery, orthopedics).
Tel Aviv: Rokah (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado (obstetrics, internal).
Haifa: Rambam (all departments).
"Eran" — Mental Health First Aid, Tel. Jerusalem 69911, Tel Aviv 253311, Haifa 528888, Beersheba 32111.

Jerusalem: Ruhama, 31 David Yellin, 222788; New Popular Pharmacy, inside Damascus Gate, 282034.

Tel Aviv: Briut, 28 King George, 223721. **Holon:** Naot Rahel, 36 Eilat, 851751. **Bat Yam:** Ramat Yosef, 20 Mivza Sinai, Ramat Yosef. **Ramat Gan:** Udim, 57 Herzl, 778096. **Herzliya:** Kramer, 28 Sokolov, 984353. **Netanya:** Hadassah, 24 Herzl, 22243. **Hadera:** Neghi, 74 Herbert Samuel, 22150.
Haifa: Massada, 30 Massada, 665806.
Beersheba: Hanegev, 108 KKL., 77016.

Dial 100 in most parts of the country. In Tiberias dial 22444; Kiryat Shmona 40444.

Sunset 17.15; Sunrise tomorrow 06.33

Magen David Adom first aid centres are open from 8 p.m. to 7 a.m. Emergency home calls by doctor at fixed rates. Sick Fund members should enquire about rebate.

Phone numbers: Jerusalem, Tel Aviv, Haifa — 101. Dan Region (Ramat Gan, Bnei Brak, Givatayim, Kiryat Ono) — 781111.

Ashdod 22222	Nazareth 54333
Ashkelon 23333	Netanya 23333
Bat Yam 863333	Petah Tikva 912333
Beersheba 78333	Rehovot 951333
Eilat 2333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 843133	Tiberias 20111
Nahariya 923333	

WHAT'S ON

Notices are accepted for this column at the rate IL22 per line plus VAT; publication daily over a period of a month costs IL350 per line plus VAT. Ads are accepted at offices of The Jerusalem Post and at all recognized advertising agencies.

Jerusalem

MUSEUMS

Israel Museum. Exhibitions: American Quilts; Israeli Artists 1977; Paris After Abstraction; The Sensuous Line; Jules Pascin Drawings; Herbert Distel; The Museum of Drawers; Johannes Itten; What is a Self-portrait?; Miniatures of Vehicles from the Tibor Reich Collection (Paley Centre, near the Rockefeller Museum); Paintings by children from the Public Schools of Ann Arbor, Michigan. ***Visiting hours: Israel Museum:*** Sun. Mon., Wed., Thurs. 10 a.m.-5 p.m.; Tue. 4-10 p.m.; Fri. 10 a.m.-2 p.m.; Sat. 10 a.m.-2 p.m. **Shrine of the Book, Billy Rose Art Garden:** Sun., Mon., Wed., Thur. 10 a.m.-5 p.m.; Tue. 10 a.m.-10 p.m.; Fri. and Sat. 10 a.m.-2 p.m. **Rockefeller Museum:** Sun. — Thur. 10 a.m.-5 p.m.; Fri., Sat. 10 a.m.-2 p.m. Tickets for Sat. and holidays must be purchased in advance at the Museum, Cahana or major Jerusalem hotels; in Tel Aviv at Rococo, Hadran and Kastel.

CONDUCTED TOURS
Hadassah Tours
1. Medical Centre. Tours in English at 9, 10, 11 a.m. and 12 noon, leaving from the Kennedy Building. Tour includes Chagall windows. No charge. Buses 19 and 27.
2. Mt. Scopus Hospital: Tours from 8.30 a.m. to 12.30 p.m. No charge. Buses 9 and 28. Tel. 818111.
3. Morning half-day tour of all Hadassah *projects. $4 per person towards transportation.* By reservation only: Tel. 416333.

Hebrew University, tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Mount Scopus tours 11.30 a.m. from the Martin Buber Building. Buses 9 and 28. School of Educa*tion bus stop. Further details:* Tel. 35430.

Emunah — National Religious Women's Organization, Tourist Centre, 26 Rehov Ben Maimon. Tel. 02-62468, 30620, 811588.

American Mizrachi Women. Guest Tours — 19a Keren Hayesod Street, Jerusalem, Tel. 232758.

MISCELLANEOUS

Jerusalem Biblical Zoo, Schneller Wood, Romema. Tel. 814822. 7.30 a.m. — 7 p.m.

Tel Aviv

MUSEUMS

Tel Aviv Museum, 27 Sderot Shaul Hamelech. Exhibitions: Egypt — First Encounter, Israeli photo-journalism; From the Museum's Collections. Helena Rubinstein Pavilion: Giorgio Morandi, etchings; 20th Century Italian Painting; Milton Glaser, graphic design. **Visiting hours:** Sun., Mon., Wed., Thur. 10 a.m.-5 p.m. (Library 10 a.m.-4 p.m.); Tue. 10 a.m.-1 p.m.; 4-10 p.m. (Library 10 a.m.-1 p.m.; 4-7 p.m.); Fri. 10 a.m.-2 p.m. (Library 10 a.m.-1 p.m.); Sat. 7-11 p.m. New Museum building open Sat. 10 a.m.-1 p.m. *free*.

Ha'aretz Museum Tel Aviv
1) Museum Centre, Ramat Aviv: Glass Museum; Ceramics Museum; Museum of Science and Technology; Museum of Ethnography and Folklore (Judaica); Alphabet Museum; Nechushtan Pavilion — Timna Excavations; Tel Qasile Excavations; Museum Library; Lasky Planetarium (Demonstrations daily, at 9, 10, 11, 12 p.m. Tuesdays also at 7.15 p.m. Sat. at 10.30, 11.30 a.m. and 12.30 p.m.)

2) Museum of Antiquities of Tel Aviv-Yafo (10 Rehov Mifratz Shlomo, Yafo)

3) Museum of the History of Tel Aviv-Yafo (27 Rehov Bialik)

4) The Israel Theatre Museum (3 Rehov Melchett)

***All Museums open:** Sun.-Thurs. 9 a.m.-4* p.m. (except Museum of History of Tel Aviv till 3 p.m.), Fri. 9 a.m.-1 p.m., Sat. 10 a.m.-2 p.m. On Saturdays admission free except Planetarium. **The Israel Theatre Museum:** Sun.-Thurs. 9 a.m.-2 p.m. Library: Sun.-Thurs. 9 a.m.-3 p.m., Fri. 9 a.m.-1 p.m.

CONDUCTED TOURS

Emunah — National Religious Women's Organization: "Kastel," 166 Rehov Ibn Gabirol. Tel. 440316, 788942.

Canadian Hadassah-Wizo Office, 118 Rehov Hayarkon. Tel. 227060. 8 a.m.-2 p.m.

Pioneer Women — Na'amat. Free morning tours. Sunday, Tuesday, Thursday, by appointment. Call Tel. 256096, Tel Aviv.

ORT Israel: For visits please contact: ORT Tel Aviv, Tel. 233231, 762291-2; ORT Jerusalem, Tel. 533141; ORT Netanya, Tel. 33744.

American Mizrachi Women. Guest Tours — Tel Aviv — Tel. 220187, 243106.

Tel Aviv University escorted Tours. For appointment, call Guest Section, (03)420741 10-12 a.m.

MISCELLANEOUS

Hadassah Club, Dan Hotel, Tel. 241111, 225224.

Tour Va'aleh World Zionist Organization Aliya and Absorption Dept. "Meet the Israelis" — programme presented every Thursday at 9.00 p.m. at the Tal Hotel in cooperation with the Central Information Office; panel of experts, and Israeli film (English dialogue). Everyone welcome; admission free.

Haifa

Dagon Collection, Archaeological Museum *of Grain Handling in Israel, at the Dagon* Silo. Guided tour daily except Saturday. 10.30 a.m. Tel. 04-664221.

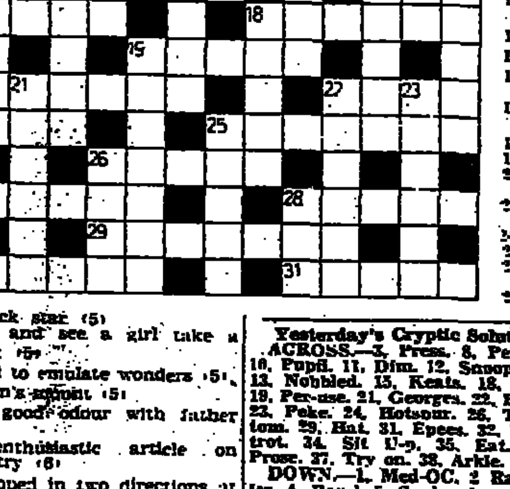
Hadassah Club, Youth Aliya Office. 20 Rehov Hameginim. Tel. 642461, 664876.

Rehovot

Weizmann Institute of Science and Weizmann House. Conducted tours start at 9, 10, 11 a.m., 12 noon, 2 and 3 p.m. Fridays and holiday eves, last tour at 12 noon. Nominal fee for admission to Weizmann House. Closed Saturdays and holidays. Please book: Tel. 03-954980.

TWO-IN-ONE CROSSWORD

Use the same diagram for either the Cryptic or the Easy puzzle.



CRYPTIC PUZZLE

ACROSS
1 Wool gathering ? (5)
6 He makes a person tear rag (5)
9 How Leftist extremists are condemned (7)
10 Crime of decapitating a cleric (5)
11 A pause in egg production ? (5)
12 Paid player (5)
13 Unholy, cruel as can be (7)
15 He needs a bit of advice (3)
17 Ring name (4)
18 Watergate (6)
19 In which politics can be fun (5)
20 In some measure, is said to be composed of quartz (6)
22 Short drinks (4)
24 Girl of little character (3)
25 Let's eat in this place (7)
26 It's clear there's many a superior police dept. (5)
27 Test of legality (5)
28 Has this stone the highest extremes of value ? (5)
29 Vessel or military vehicle on a road (7)
30 He'll become exhausted (5)
31 The old folk's country (5)

DOWN
2 Store of food to make you fatter (6)
3 Flower heard to croak at us (6)
4 Kind people (3)
5 Provider of jobs for the boys (5)
6 Somewhat old and tree-like (7)
7 Can't he turn things liver-coloured ? (4)
8 Like numbers of natives (6)
12 Heathenish cause of a pang (5)
13 Be burning to sing on key (5)
14 Black star (5)
15 Go and see a girl take a seat (5)
16 Fail to emulate wonders (5)
18 John's anoint (5)
19 In good odour with father (7)
21 Unenthusiastic article on poetry (6)
22 Stepped in two directions at once ? (6)
23 Be nice, if you don't mind (6)
25 Like the voice of a QC ? (5)
26 Departed after a time (4)
28 Verse effort by Poe ? (3)

EASY PUZZLE

ACROSS
1 Inexperienced (5)
6 Apparition (5)
9 Informative talk (7)
10 Approximately (5)
11 Middle Easterners (5)
12 Leap (5)
13 Claimed (7)
15 Take legal action (3)
17 Fancied player (4)
18 Engraved (6)
19 Solo (5)
20 Make certain (6)
22 Boy attendant (4)
24 Shelled fruit (3)
25 Sweetened (7)
26 Uniform colour (5)
27 Assent (5)
28 Verse writers (5)
29 Burst out (7)
30 Halts (5)
31 Writing material (5)

DOWN
2 Debris (6)
3 Dodged (6)
4 Mesh (3)
5 Endured (5)
6 Stone (7)
7 Flock (4)
8 Quell (6)
12 Lovely girl (5)
13 Tree (5)
14 Minimum (5)
15 Clip Off (5)
16 Sidled (5)
18 Poredom (5)
19 Bowmen (7)
21 Gold lump (6)
22 Temple (6)
23 Mild (6)
25 Large containers (5)
26 Retain (4)
28 Vigour (3)

Yesterday's Cryptic Solution
ACROSS.—3. Press. 8. Pen-al. 10. Pupil. 11. Dim. 12. Snoop(y). 13. Nobbled. 15. Keats. 18. Lea. 19. Per-use. 21. Georges. 22. Burr. 23. Peke. 24. Hotspur. 26. Tom-tom. 29. Hat. 31. Epees. 32. Fox-trot. 34. Sit U-p. 35. Eat. 36. Prose. 37. Try on. 38. Arkle.
DOWN.—1. Med-OC. 2. Rambler. 4. Rand. 5. Spokes (have). 6. Super. 7. Wilts. 9. Nib. 12. Sea room. 14. Le-O. 16 Auger. 17. Seven. 19. Pet-shop. 20 Abate. 21. Grime. 22. Putters. 24. Hosier. 25 Pa-L. 27. Ou-era. 28. Te-es-a. 30. Motor. 32. Full. 33. Ray.

Yesterday's Easy Solution
ACROSS.—3. Abase. 8. Model. 10. Kayak. 11. Gin. 12. Fares. 13. Similar. 15. Weave. 18. Sct. 19. Ledger. 21. Popular. 22. Loan. 23. Dies. 24. Bumpkin. 26. Abacus. 29. Oil. 31. Donor. 32. Rotund. 34. Begin. 35. Toe. 36. Tiara. 37. Medal. 38. Aught.
DOWN.—1. Logic. 2. Venison. 4. Bear. 5. Skewer. 6. Eased. 7. Mauve. 9. Dim. 12. Fatuous. 14. Lop. 16. Again. 17. Erase. 19. Lampoon. 20. Plead. 21. Punish. 23. Diluted. 24. Bureau. 25. Kit. 27. Bowie. 28. Cobra. 30. Ideal. 32. Rich. 33. Nod.

SOLUTIONS TO TODAY'S PUZZLE TOMORROW

[B]USINESS & FINANCE

هكذا من الأصل

[T]EL AVIV STOCKS

[B]uyers lack confidence [a]s prices drop broadly

[T]EL AVIV. — Share prices took a [d]rubbing yesterday as trading turn[o]vers doubled to more than IL70m. [O]ne investor said there was a lack of [co]nfidence. A source at the exchange [sa]id there was an absence of buyers. [Th]ere is probably much truth in both [ex]planations. Otherwise there is lit[tl]e explanation for the 12-point drop [in] the Mizrahi shares, after the bank [an]nounced excellent financial [re]sults.

Union Bank securities did not [tr]ade yesterday because the bank [an]nounced its financial results for [19]77. The figures made excellent [re]ading, but if the past few days are [in]dicative of price movements, one [w]ould not expect an upward leap in [th]e price of the bank's shares. [T]echnical analysis of price [m]ovements shows that we may [sh]ortly see a bottoming out of the [m]arket.

A massive offer of IL3.5m. of Bank [Le]umi dropped the "blue chip" [sh]ares yesterday for a five-point [lo]ss. Hapoalim eased by one, but [ID]B remained unchanged at 410.

Losses of five per cent or more [w]ere the order of the day in the [m]ortgage bank sector. Losing [sh]ares included General Mortgage -[..], Mortgage and Development -17, [Ti]fahot -19 and Shikun -20.

Insurance issues had a bad day. [A]ryeh fell by 35 to 705, while Hassneh [w]as losing 20 to 530. Securitas was [po]unced for a 20-point loss to 380, and [Zoha]r was set back by 60 to 670.

Land development and real estate [sh]ares fell along with the rest of the [m]arket. Property and Building was [ha]rd hit as it fell by seven per cent to [..]5. ILDC extended its losing ways [an]d suffered an eight-point reversal [to] 240. Ispro lost more than nine per [ce]nt as it fell below the 200 mark to [..]1. Mehadrin gave up 70 to 960.

Israel Citrus Plantation was among few shares which did not lose ground yesterday, the shares traded unchanged at 479. Israel Cold Storage IL10 lost six per cent to 254.

Industrials also had their share of losers. Lodzia IL4 shares lost almost 10 per cent to 197. Dubek (R) fell by 5.7 per cent to 660. American-Israeli Paper Mills lost nine to 364, as Elite was losing 14 to 331.

By the time trading came to investment company issues, there was little doubt that this sector would also suffer heavy selling. Bank Leumi Investments, in spite of its recent excellent financial statement, took it on the chin and fell by 24 to an even 500. Hapoalim Investments lost a full ten per cent to 351, but Discount Investments managed to trade unchanged at 442. Amissar dropped seven per cent to 232. Paz Investments lost more than nine per cent to 267. Ellern dropped 20 to 430, a recent low. Jordan Exploration options lost 145 points to 1,960. The loss was in the order of eight per cent. Piryon Investments at 349 reflected a loss of 38 points.

Marked weakness was also felt in oil shares. Naphta fell by nearly 10 per cent to 950, while Lapidot (R) lost 75 to 1,425. The bearer shares were "sellers only" and were fixed at 2,355.

Index-linked bonds, on balance, were higher. Gains ran as much as one per cent.

Most Active Issues

Bank Leumi	398-5	IL3,500,000
Mizrahi (R)	278-18	IL1,800,000
Hapoalim (B)	481-1	IL1,100,000
Shares traded:		IL71.2m.
Convertibles:		IL7.1m.

		1.2.78	31.1.78
[DO]LLAR-LINKED [D]EBENTURES			
[..] Dead Sea	b	2100	2100
[..] Dead Sea Junior	r	801	801
[..] Electric Corp. B.	r	—	—
[P]URCHASE IN [D]OLLARS			
[..]ollis 22		115.4	118
[..] of L. LINKED [(p]rincipal and interest)			
[..]sorp. 1966 (1)	b	1041	1041
[..]sorp. 1967 (1)	b	1014	1014
[..]t. 1968 (41)	b	485	484.5
[..]t 1969 (41)	b	371	371
[..]t. 1969 6.5% (66)	b—	521	523.2
[..]t. 1969 6.5% (91)	b	433.8	436
[OP]TIONALS			
[..]v. 296	b	496.5	495
[..]v. 313	b	472	465
[..]v. 4% (3001)	b	357.6	357.6
[..]% Mizrahi (2)	r	321.5	—
[..] Leumi (5)	b	303	307
[..]% Delek	r	187.5	187.5
[..]% Disc. Inv. (72)	b	255	270
[BA]NKS, FINANCIAL [IN]STITUTIONS			
[..]sar Hityashvut	r	333	342
[I]D.B. pref.	r	769	764
[I]D.B. Bankholding	r	410	410
[U]nion "A"	r	—	739
[Di]scount "A"	r	720	755
[U]nited Mizrahi	b	279	—
[H]apoalim	b	481	482
[Le]umi "A"	r	398	408
[Ge]n. Mortgage	b	577	609
[..]v. & Mortgage	b	360	377
[Ho]using Mortg.	b	308	328
[Ti]fahot 8% pref.	b	491	501
[Ti]fahot	b	471	490
[..]rav		321	327
[..]d. & Dev. 8% pref.	r	158	164.5
[Ar]yeh	r	705	740
[H]assneh Insurance	b	530	550
[..]har — "C"	b	699	718
[..]r		670	739
[RE]AL ESTATE, [LA]ND DEVELOPMENT [AN]D CITRUS			
[..]orim	r	251	248
[Ame]rica Israel IL10	r	915	935
[..]. Land Dev.		240	248
Solel Boneh 10% pref.		347	351
Property & Building		305	328
Isras		285	299
Mehadrin		960	930
I.C.P. Citrus	r	479	479
Neot Aviv	r	370	390
Pri Or Ltd.	b	580	600
Rassco - 8% pref.	r	178	178
Rassco	r	159	160
INDUSTRIAL			
Alliance - B	r	1340	1340
Elco - 2.5	b	267	278
Electra - 5	r	273	288
Argaman - 8%	b	214	228
Ata - C	r	138	142
Dubek	b	668	688
Elec. Wire & Cable	b	145	152
Teva	r	655	690
Chem. & Phosphates	r	349	367
Lewin Epstein		281	291
Moller Textile		195	195
Paper Mills	r	364	373
Assis "B"	r	165	165
Nechustan 8% pref.	b	1130	1130
Elite	r	331	345
Shemen - 8% pref.	b	228	235
Frutarom	r	130	135
Polgat	r	352	380
Elron IL2	r	560	560
INVESTMENT COMPANIES			
Elgar		273	271
Ellern	b	430	450
Israel Central Trade		[illegible]	[illegible]
Hapoalim	b	351	390
Paz	b	267	295
Wolfson - IL10	b	153	157
Ampa	r	155	157
Discount	b	255	270
United Mizrahi	b	334	350
Bank Leumi		500	524
Piryon	r	349	387
Hassuta-Foreign Trade		—	—
Export Bank	r	172	182
Clal	r	298	311
Clal Industries		223	284
FUEL, OIL AND UTILITIES			
Naphta OTC	r	950	1050
Lapidoth OTC	r	1425	1500
Jordan Exploration	r	896	900
Jordan Warrants		1690	1835
Delek C	r	369	369
Israel Electric Corp.	r	322	322

Reported by the UNION BANK OF ISRAEL LTD
b-bearer; r-registered
B-buyers only; S-sellers only

[W]ALL STREET

Hour before closing, February 1, 1978

[..]A Ltd.	—	Fair Cam	27⅜	Mobil	59⅜
[..]m Motors	4⅛	Ford	41⅞	Monsanto	51½
[A]mer. T & T	58½	Gen Dynam	41½	NCR	41⅞
[At]l Rich	46½	Gen Foods	29⅜	Occ Pet	21½
[A]vco	17⅝	Gen Motors	58⅜	Pan Am	5⅛
[A]von	45½	Gen Tel	28⅝	Phil Pet	28⅝
[B]ell How	14⅝	Gen Tire	24	Polaroid	25¾
[B]eth St.	22½	Gillette	25⅛	RCA corp.	24⅛
[B]oeing	28½	Grace	25½	Royal Dutch	55⅜
[Br]ist My	32⅜	Gulf West	11⅛	Sears Roe	25½
[B]urroughs	66	Gulf Oil	24⅜	Singer	19⅞
[CB]S Inc.	46⅜	Honywell	44⅜	Sony	7⅜
[Ce]lanese	38⅜	IBM	258⅛	Sperry Rand	34
[Ch]ase Man	28	Int Paper	40	Teledyne	67⅜
[Ch]rysler	13¼	Int. T & T	29	Texaco	26
[Co]ca Cola	36⅛	John John	70⅛	Texas Ins	74⅜
[Co]n Ed	—	LTV	6⅛	TWA	11⅝
[Cr]own Zell	31¼	Litton	14⅜	Twent Cent	41⅞
[Cu]rtis Wri	18	Lockheed	—	U.S. Steel	28½
[Do]w Chem	25⅝	Macy	—	West Union	16⅝
[Du]pont	107⅜	Mcdon-Doug	24	Woolworth	17⅞
[Ea]st KDK	45⅞	Merr Lynch	14⅜	Xerox	46
[Ex]xon	46⅜	Minn MM	47⅞	Zenith	13¾

Provided through the courtesy of the Foreign Securities Department of Bank Hapoalim, B.M., Tel Aviv. Tel. 251420.

[M]arket climbs, trading up

[N]EW YORK (AP). — Stock market [pr]ices headed higher yesterday [o]vercoming some early weakness [th]at focused primarily on steel [is]sues.

The Dow Jones average of 30 in[du]strials, down about two points in [ea]rly trading, was up five points half [an] hour before the close. Gainers [ou]tnumbered losers by about 7 to 4 [a]mong New York Stock Exchange-[li]sted issues. Trading picked up as [pr]ices began to advance.

Some investors were still respon[di]ng to the news of U.S. Steel's [re]port on Tuesday of sharply lower fourth-quarter earnings, and its reduction of its quarterly dividend. But one analyst said traders were impressed that the market showed only mild and short-lived weakness on the U.S. Steel news.

[K]EEP YOUR EYES OPEN!
REPORT SUSPICIOUS OBJECTS

Zloty devalued

WARSAW (AP). — The Polish government devalued its currency yesterday according to exchange tables published in the state-controlled press.

The zloty was listed at the tourist rate of 33.20 to the U.S. dollar. The official rate of 19.92 to the dollar was left out of the tables.

The West German mark was quoted at 15.58 zlotys, the British pound at 63.70.

Government comment was not immediately available.

German Exporter
of radio and television sets and household electrical appliances
seeks permanent business connection
with well-established importer.
[P]lease contact: Radio-Ing. Böhme VDI
[P].O.B. 1291, D 2400 Luebeck 1, West Germany
[P]ersonal contact possible until Feb. 6 —
[I]ng. (grad.) Böhme VDI, Sheraton Hotel, Tel Aviv
[T]el. 03-286222.

Looking after the public's interest on the board of the stock exchange

By JOSEPH MORGENSTERN
Jerusalem Post Reporter

TEL AVIV. — On December 5, 1977 the Tel Aviv stock market crashed. The days that followed were marked by deep gloom, pessimism and in some quarters even despair. Unruly crowds thronged around the exchange and threatening telephone calls were received by its management. The group of aggrieved investors, popularly called the "Kojak group" because its leader bore a striking resemblance to the TV hero, clammered for representation on the board of directors of the exchange. The members blamed the activities of the banks, among other factors, for the crash in the share market.

Before the month was over the articles of association of the T.A.S.E. were amended to allow the increase in board membership to 21. This change was made specifically to allow the public representation on the board of exchange.

One of the new appointees is Dr. Joseph H. Gross. The young-looking, multilingual and highly articulate Gross was born in this country 43 years ago. He studied commercial law at Tel Aviv University and subsequently received his doctorate from the London School of Economics in the field of company law.

Returning to Israel he became legal adviser to several large corporations. Today he is a professor and vice-dean of the law faculty of Tel Aviv University. He also lectures at the university's School of Business Administration. A prolific writer, his book on Securities Law is the most important treatise on the subject written here.

In an interview Dr. Gross explained his reactions to his recent appointment. "As a member of the board I do not represent any vested interests. My only criterium is the good of the general public. In effect I am an outsider who can evaluate problems in terms of their essence, unconnected to any group. I need not be concerned what effect on myself the board's decisions may have."

The role of a critic of securities laws and regulations is far from new for Dr. Gross. For the past dozen years he has used the press to present his ideas aimed at improving the Securities Law. The by-laws and regulations should be improved, he says. Until two years ago the *T.A.S.E.* was of concern to very few people. Today hundreds of thousands of individuals are actively involved. There is a dire need for greater dissemination of information. The exchange must lay down its guidelines clearly. Trading methods must be overhauled.

The basic role of the exchange is as a place where industry looks for funds and where the individual seeks a placement for his savings. "One cannot stop the investor from being foolish but care must be taken that others do not make a fool of him." Dr. Gross said.

Much has been said about the problems of the reporting of companies' financial results and of special information. Dr. Gross intends to work in the direction of making semi-annual reports a must. He stresses the concept of an equal opportunity and right by the public to information which may affect the price of a given security.

Joseph Gross

Dr. Gross also favours a law regulating the basic qualifications for financial adviser. "Today anyone can today offer his services as a financial adviser, and who knows with what results," he explained.

Dr. Gross is optimistic about the wider use by industry of the exchange to raise funds. "The high interest rates charged by the banks will create a greater interest in the use of the exchange for the raising of capital," he said.

A few days ago Dr. Gross attended his first board meeting at the exchange. "I was going to sit quietly and listen, but I soon found myself making recommendations. Many of these were readily accepted. All in all, I am very much encouraged," he concluded.

EEC building 'Euronet' computerized data bank

By MACABEE DEAN
Jerusalem Post Reporter

LUXEMBOURG. — A huge computer network, called "Euronet," allowing all subscribers immediate "on-line" access to immense quantities of data stored in memory banks, is now being built in the nine Common Market countries. Both the U.S. and Japan have shown interest in "hooking in" to Euronet.

"Israel can easily join; probably the best way would be for the Ministry of Communications to construct a direct line to Rome. If this were done, Israelis could have access to the Common Market memory banks at a cost similar to all Common Market countries — about one dollar for each minute the line is used," Garth W. Tavies, head of the Euronet business office, said here recently.

All any Israeli, individual or firm, would need is a special typewriter, costing between $2,000 and $3,000 (which can also be rented for about $50 a month). The subscriber simply dials the Rome terminal, puts his telephone receiver into a special receptacle in the typewriter, and then sits down at the typewriter and types out his request. His typed letters are changed into "sounds," which the open telephone line conveys to Rome where they are fed into one of the memory banks. Within a split second his reply is received.

Why has the Common Market created "Euronet"?

The official reason is given as follows:

"Lacking many basic raw materials and faced with increasingly sharp world competition, the Community needs to develop carefully the resources it actually has, and particularly its intellectual resources. Scientific research is the core of this intellectual potential and represents a rich source of saleable raw material."

Euronet will have primary terminals in London, Paris, Rome and Frankfurt.

Within the Common Market countries at present there are about 100 memory banks in such various fields as physics, law, medicine, economics, psychology, agriculture and education.

One of the main problems, Tavies admits, is that it takes 27 different "computer languages" to tap the information stored in these 100 banks. But Euronet is fast at work devising one "computer language" which will be used to tap them all.

Another problem is that many memory banks are only reference sources. If a doctor wants to know about a certain disease and its cure, he is referred to a specific article in a specific journal — which he has to obtain and read.

"We will soon face a peculiar situation where the doctor knows the name of the article he needs — but it will take him weeks, even months, to have a reprint of this article mailed to him."

And if there were not enough problems already, the data stored is generally in either English, German or French. "We are working hard at automatic translations," Tavies says. "And we have had considerable success in automatic computer translations. At present, 75 per cent of the texts we feed into the automatic translation programme come out needing only a little polishing; another 20 per cent need more work; and about five per cent have to be rechecked against the original."

But one of the greatest successes of Euronet is the fact that all the nine Common Market countries are adopting standardized technological transmission methods. Since both the U.S. and Japan have a definite interest in adopting similar methods, the basis may have been established for an international standard.

Bill to protect investors

By SHLOMO MAOZ
Jerusalem Post Reporter

Members of the Knesset Economics Committee from all parties will prepare a bill giving the Securities Authority limited investigative powers. According to the proposal the Authority would be able to uncover stock manipulations and deals based on inside information withheld from the public.

The additional powers for the Securities Authority are designed to help that body protect the interests of small investors, better than was possible till now.

Another recommendation of the Economics Committee would restrict the freedom of banks in the buying and selling of shares for trust funds. The Securities Authority will assume tighter control over the funds and see to it that representatives of the public sit on their boards. In general, the role of the banks in the stock exchange should be redefined, so as to prevent all conflicts of interest, the Committee felt.

To foster the development of the stock exchange it was recommended that groups other than the banks (perhaps insurance companies) take part in the activities of the exchange. Meanwhile the banks will have to report their activities in detail to the Authority.

It was also recommended that industrial firms get tax breaks if they float share issues at the exchange but do not sell their old shares for five years.

The Committee, chaired by Gad Ya'acobi (Alignment) has heard various experts over the past two months.

Amendment to Loan Law

The Knesset on Tuesday passed the first reading of an amendment to the Loan Law (Insurance Companies), which authorizes the government to raise to IL3b. the total amount of bonds it may sell to insurance companies.

The present total of IL1.25b. is sold out, deputy Finance Minister Yehezkel Flomin said.

The insurance companies invest premiums from linked life insurance policies in the bonds.

Speaking in the debate, Avraham Sharir (Likud-Liberals) said that life insurance premiums were unjustifiably high. He also thought it was an unhealthy arrangement for the companies to collect premiums and high commissions from the public, and then pass the money on to the government under 100 per cent linkage. The money thus remains in a closed circle, he said.

Flomin said in his reply that the government's arrangement with the insurance companies was for one year only, after which it would re-examine the policy.

Cost of driving lessons to be surveyed

TEL AVIV. — The Histadrut's Central Consumers Authority will conduct a three-month survey of the prices driving schools charge for lessons. It decided to take this step in the wake of the Government's decision to abolish all control of these prices.

The Authority called on the Government to institute a similar survey, to see if the removal of price controls is for the benefit of prospective drivers.

HAIFA MUNICIPALITY
Notice Pursuant to PARA. 149 of the Planning and Construction Law, 1965

Notice is hereby given that Dr. Gisela Finger of the Finkel Institute has submitted a request to change the designation of two flats at 11 Pinchas Margolin Promenade, Parcel 93, Block 10819, Haifa, to a sanatorium for 15 beds.
The text of the request is available at Room 323a, Municipality Building, City Planning Department, 3 Bialik Street, Sundays, Tuesdays, and Thursdays, 8 a.m. to 12 noon.
Objections to the granting of this request can be presented within two weeks of the date of publication of this notice to the City Planning Department (address as above).

S. Schwartz
City Engineer

Union Bank had good year with IL50m. gain

TEL AVIV. — The Union Bank of Israel, a member of the Bank Leumi group, yesterday announced its balance sheet for the year ending December 31, 1977. The balance total reached IL13.9b., an increase of 119 per cent compared to IL6.3b. for 1976.

The bank's capital means grew by IL141.1m., an increase of 94 per cent. Of this IL66.1m. was derived from an issue of shares, debentures and capital notes (options) in June 1977. The total of the bank's captial means stood at IL292m.

The all-inclusive profit per share, on a fully diluted basis, reached IL1.08, compared to IL0.90 the preceding year.

The current profit, before tax, for 1977, totalled IL122m., a rise of 58 per cent in comparison to 1976. The net after-tax profit, including extraordinary income, rose by 111 per cent and totalled IL50m.

The nominal growth in the business of the bank stems from the changes in the exchange rate of the Israel pound and in the consumer price index, as well as from a real increase. The year's results were also affected by fines imposed on liquidity deficits.

The board of directors has decided to recommend at the general meeting the payment of a cash dividend of 16.5 per cent for the year 1977, as opposed to 15 per cent in 1976. This figure, includes the 5.5 per cent interim dividend paid in September 1977. The board will also recommend the distribution of bonus shares in the order of 33 ⅓ per cent.

The final dividend at the rate of 11 per cent will be paid to all shareholders, including holders of shares issued in June 1977 and on a paid-up capital of IL46m.

The bank's management expressed satisfaction at the growth in all areas of the bank's activities, but especially in its fields of particular expertise, which include foreign exchange, the financing of the diamond industry, and the financing of exports and imports and securities.

Police cars, Passover exports, held up by continuing seamen's strike

TEL AVIV. — A shipment of 73 Renault-4 cars purchased by the police for its middle-range and high-ranking officers is among the millions of pounds worth of cargo aboard ships unable to unload because of the seamen's strike. The Renaults, valued at IL10.2m., are to alleviate a shortage of vehicles among tactical police units, it was learned.

The cars are part of the cargo of the new Zim container ship Yasmin, which is anchored outside the port of Ashdod.

Ports Authority officials are afraid to permit ships to dock for fear the striking crews will refuse to allow the vessels to leave even after they are unloaded.

Arie Carasso, president of the Automobile Importers Association, said his group, along with other exporters and importers, has appealed to the Government to help bring anchored ships into the harbour so they may be unloaded.

"We are not part of the conflict between the shipping companies and the seamen, but we are the ones who suffer. Our goods are being held at ransom," Carasso said.

Also hurt by the strike are importers of household goods, according to Zvi Amit, managing director of the Federation of Israeli Chambers of Commerce.

Importers now fear they will face the same disaster as last year, when they lost millions because a strike kept the household goods from the shops before Passover.

Exporters also have expressed concern that matzot, wine and other Passover foods may not reach their overseas destinations in time for the Holiday because of the strike.

MKs want budget to support cinema

Jerusalem Post Reporter

Two Knesset members want next fiscal year's budget to allocate more money to support the Israeli cinema, which they say is discriminated against compared to other arts which the government supports.

Likud whip Avraham Sharir and Adi Amorai, coordinator of the Alignment representatives in the Finance Committee, said that it was impossible for the government to allocate tens of millions of pounds for supporting theatres, dance troupes, classical music, museums and choirs while neglecting the cinema, with its strong influence on Israeli culture.

Speaking in a Finance Committee debate on the Education and Culture Ministry's budget, the two MKs said the existing resources of the culture budget should be used to create a foundation which would invest in Israeli cinema as a business proposition.

How to get rid of 50,000 bureaucrats

Post Knesset Reporter

With the consent of Deputy Finance Minister Yehezkel Flomin, The Knesset on Tuesday referred to the Finance Committee a motion for the agenda by Zalman Shoval (Likud) on "the need to block the growth of the government bureaucracy."

Shoval said that in each of the seven years he has been in the Knesset, the finance minister, whoever he was, promised to reduce the number of civil servants. But each year the number was increased.

He proposed that the government ministries be prohibited by law from taking on new employees, and that the number of workers in the public sector be reduced by 4-5 per cent a year for the next five years. This, Shoval said, would cut the public bureaucracy by about 50,000 workers.

בנק אמריקאי ישראלי בע"מ
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FOREIGN CURRENCY
1.2.78
Yesterday's foreign exchange rates against the Israel pound, for transactions under U.S. $3,000 or equivalent in other currencies.

	Selling	Buying
U.S. $	16.0720	15.9600
Sterling	31.3106	31.0924
Swiss Fr.	8.1040	8.0475
Belgian Fr. (10)	4.9125	4.8783
Swedish Kr.	3.4526	3.4285
French Fr.	3.3850	3.3614
Danish Kr.	2.8143	2.7947
Austrian Sh. (10)	10.6050	10.5311
Dutch Fl.	7.0950	7.0455
DM	7.6071	7.5541
Italian Lire (1000)	18.5310	18.4019
Finnish M.	4.0265	3.9984
Norwegian Kr.	3.1338	3.1119
Canadian $	14.5106	14.4094
Rand	18.5085	18.3795
Australian $	18.2835	18.1560
Yen (1000)	66.5369	66.0732

INTERBANK LONDON SPOT RATES:

U.S. $	1.9479/84	per £
DM	2.1120/35	per $
Swiss Fr.	1.9627/37	per $
Belgian Fr.	32.71/725	per $
Italian Lire	867.10/50	per $
Dutch Fl.	2.2645/60	per $
Yen	241.50/60	per $
French Fr.	4.7470/90	per $
Danish Kr.	5.7100/15	per $
Swedish Kr.	4.6545/55	per $
Norwegian Kr.	5.1275/98	per $
Gold Price	$176.00-6.50	

FORWARD RATES:

	1 Mon.	2 Mos.	6 Mos.
£-$	1.9480/490	1.9495/505	1.9517/527
DM/$	2.1045/73	2.0896/921	2.0636/673
Sw.Fr./$	1.9722/744	1.9619/539	1.9212/237

HEVRA LENIHUL KRANOT BNEEMANUT B.M.

1.2.78	UNIT PRICE	REDEMPTION PRICE	DAILY CHANGE %
EITAN	345.37	336.98	—0.33
ALMOG	167.61	163.56	—0.18
ADIF	261.25	254.95	—1.30
IZABAR	225.94	220.63	—0.78
EREZ	365.44	349.58	—1.67

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Editor and
Managing Director

THE JERUSALEM POST

Erwin Frenkel
Editor

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Jousting with oranges

PALESTINIAN terrorists are descending to ever more ignoble forms of warfare. Unable to fight against Israel's soldiers, they directed their frenzy at first against her civilians.

Being no longer able to get past the armed cordon protecting civilians, they now send their freedom-fighters to stab — if not with the sword, at least with the syringe — the harmless Jaffa orange.

This lunatic strategy is certainly startling. As the head of Tnuva-Export put it, poisoning wells went out with the Middle Ages. The Soviets have denied that they are exploiting the possibilities of germ warfare. Are the rejectionist Arabs launching a new fashion — arsenic in your whisky, scorpions in your sack of potatoes, the death-watch beetle in your clothing?

It is likely that the latest mini-scare will pass as quickly as it flared up. There is a new challenge here for the fertile wits of our security men, in cooperation with the European police. Let us hope that they will be able to deal with it as they have dealt with past stratagems thought up by the Dr. Moriartys in Beirut and Damascus.

Meanwhile this can be said, that the one-time chivalrous repute earned in the great days of Arab arms is being sadly tarnished today by exploits of this kind.

Hammering education

THE WISDOM of placing the NRP's Zevulun Hammer, a founding father of Gush Emunim, in charge of the Ministry of Education and Culture was questioned as soon as the nomination was confirmed last year. Fears were expressed that Mr. Hammer would seek to remake the entire school system in the image of his own national-religious convictions.

These apprehensions have, it is only fair to say, so far, proved to be grossly exaggerated.

Apart from engineering a spate of political appointments in his department — thus reversing a long-term trend towards strict professionalism — Mr. Hammer has not introduced any radical innovations. The distinction between state and state-religious schools has remained intact.

Yet, warily as he has been treading, Mr. Hammer has given enough evidence of desire for a thoroughgoing redirection of the whole thrust of education and culture in Israel. It will evidently not be *his* fault if he fails.

The Broadcasting Authority has just turned down a minority motion to put off-the screening of a television play derived from S. Yizhar's short novel "Hirbet Hiz'a." Mr. Hammer, the minister responsible for the implementation of the Broadcasting Law, sided with the minority.

He told the Knesset last week that he considered the play unsuitable because it was "self-accusatory" and "controversial," and its showing now "untimely."

What he meant was that this little masterpiece by one of Israel's finest writers (and a former Labour MK) was bad publicity for Israel, both at home and abroad, because it showed Israeli soldiers during the War of Independence on less than their best behaviour. If ever there was a perfect example of failure to distinguish between education and indoctrination, and between the values of a free and a shackled society, it was thus furnished by Mr. Hammer.

Coming, as it did from the Minister of Education and Culture, this was cause for profound anxiety.

Soon after Mr. Hammer had another opportunity, which he did not miss, to show his true colours. A small group of twelfth-graders wrote Premier Begin to support Israel's withdrawal to the 1967 lines, and the establishment of a Palestinian state. The pursuit of present administration policies, they ominously suggested, might be responsible for their death in an inevitable future war.

On Tuesday Mr. Begin sent the students a reply in which he chided them for their bad manners and worse politics. They had released their own letter to the press before allowing him time to peruse it; and the ideas they had advocated, shared though they were by the Shelli party, were dangerous to the very survival of the state.

Nowhere in his firm but polite letter did the Premier dismiss the protesting group contemptuously as "an insignificant minority" that challenged "the justice and right of our claim to the Land of Yisrael." The dubious honour of making that patently false accusation goes to Mr. Hammer, who did not even wait for Mr. Begin to make his own view of the matter public.

Plainly, Mr. Hammer still has something to learn about education and culture. One of the areas in which his scholarship appears to be deficient concerns national responsibility for the provision of schooling.

This is demonstrated by his esoteric idea for the abolition of tuition fees in grades 10 to 12, and their financing from slightly increased social insurance contributions.

Nobly motivated as it is, Mr. Hammer's plan is doomed at the start. The reason is simple.

The Israeli high-school is at present a highly selective and nowhere near universal service: it caters mostly to middle and upper class students. There is no justification for burdening the lower classes with its costs.

Of course secondary education should be made more freely — and more speedily — accessible to youngsters of all social groups; and the constantly spiralling fees, even though they only represent an effort to keep up with rising prices, are becoming an intolerable burden. But in present economic conditions, that burden can only be lightened by taxes collected by the Treasury.

Perhaps the panel of experts put together by Mr. Hammer to study his proposal will enlighten him on this point.

POSTSCRIPTS

FOR VETERAN members of the staff of this newspaper, last night was different from most other nights. As they glanced at the date on the galleys, they realized that it was the 30th anniversary of the bombing of the press and editorial offices of what was then *The Palestine Post*. They remembered their three colleagues who had been killed in the explosion and recalled their own miraculous escape.

The premises of *The Post* were then in Rehov Hassolel (now Rehov Havazelet) in the heart of Jerusalem, off Zion Square. A lethal cargo of TNT had been loaded by British police on a five ton army lorry, which had then been driven up the street and parked outside *The Post*. A timing device was set and the explosives detonated at 10.45 p.m., blasting the ground-floor press.

The attack did not prevent the paper from appearing on the streets the next day, however. Arrangements were hurriedly made for it to be printed at another press. That issue, in smaller format, containing David Courtney's Column One which began with the ringing words "The Truth is louder than TNT" is now presumably a collector's item.

A full account of the events of the day and the night of February 1, 1948 and their political significance will appear in Friday's Magazine by a man who lived through them. *F.D.*

WE MUST CONFESS that it was quite by accident that we heard last week's "Music for Sunday" programme on Israel Radio. It was a joyous experience, especially the singing by the choir of Worcester Cathedral.

As the programme is intended mainly for non-Jewish listeners, the announcements are made in Arabic and English as well as in Hebrew. It would have been thoughtful had the Arabic and Hebrew announcers asked their English-language colleague for the correct pronunciation of "Worcester." We were rather stumped by "Warchester," until we heard the English announcer. But then she informed us that the conductor, announced in Hebrew and Arabic as Christopher Robinson, was a Christopher Robin.

"Whisper who dares," is A.A. Milne's little boy still saying his prayers? Was it a slip of the tongue? Or is there really a conductor named Christopher Robin? He must have the same difficulty living that down as C.R. Milne is said to have had.

F.D.

SELECTION
November 1977
★ ABOU DAOUD ou l'invulnérable terroriste...
★ L'Europe de l'Est sous la botte...
★ Un livre condensé: DEVANT L'AGONIE DES ENFANTS
Bronfman's Agency Ltd.

TIME
February 6, 1978
★★ MIDDLE EAST: THE SHOW GOES ON ...
★★ THE RED OIL
Bronfman's Agency Ltd.

WITHDRAWAL SPELLS DANGER

Former information aide Shmuel Katz does not agree with the government's offer to give up all of Sinai, and to modify Israel's sovereign rights over Judea, Samaria and the Gaza Strip. DAVID KRIVINE asks him why.

"IN AN EDITORIAL published on January 18, *The Jerusalem Post* noted that Egypt's Foreign Minister Mohammed Ibrahim Kamel, has been pressing the case for 'the fundamental rights of the Palestinian people.' The editorial observes that the definition of these rights by the official Palestinian representatives, has meant over the decades, and still means, the extinction of Israel."

Shmuel Katz looks accusing as he goes on:

"Yet the paper does not draw the conclusions implicit in its own argument. It favours withdrawal and surrender of sovereignty all the same. This kind of reasoning insults the intelligence of your readers."

Though still a faithful member of Herut (which he helped to found), Katz has just resigned from his post as adviser on information to the prime minister. The policy of the Likud administration is too dovish for him. And he is not alone in this view. He attracted powerful minority support when competing against Mr. Begin's candidate, Haim Landau, for a post in the cabinet.

SOUTH-AFRICAN born Shmuel Katz is nothing if not a realist. His book "Battleground" is subtitled "Fact and Fantasy in Palestine." He likes to distinguish between the two — between fact and fantasy. The sober view, for him, is the pessimistic one.

Sadat, he argues, does not want peace, in the real sense of the term. Only the gullible will believe in anything so idyllic. Katz offers a more cautious and hard-headed interpretation: the Egyptian leader's aim is to strengthen his own position and weaken that of his adversary.

Hypnotized by Sadat's blandishments, the Israelis choose not to see hard realities that stare them in the face. They are credulous, they trust in honeyed words, they accept the maxim that by surrendering territories they can win eternal tranquillity — even though half the Arab world is branding Egypt's President as a traitor to the cause just for talking to the Jews.

Sadat's terms are Draconian. He demands that we withdraw to indefensible borders, and that we depend for our safety on his goodwill. "He has stuck rigidly to the text of his address in the Knesset. He has not budged from the terms he laid down on November 20.

"'Not one Jewish settlement,' he says; 'not one centimetre.' Those are his phrases. What kind of 'momentum' do they offer, in heaven's name? 'I give you security.' What security can we expect from a country that has made five wars against us in the last 30 years?"

There is such a thing as seeking peace, Katz concedes. It happens when two countries in dispute try to iron out the differences between them in a sensible way. Sadat knows what Israel's vital interests are. They can be satisfied without any damage to his own country's vital interests. But he does not look for an understanding; he presents ultimata.

What are Israel's vital interests?

"The maximum concessions that would be rational — even though not acceptable to me personally — are those laid down by the previous Labour government. Sinai can be handed over to the Egyptians — provided that a buffer zone is retained, extending from Rafiah to Sharm e-Sheikh, sufficiently wide to offer the minimal space necessary for the deployment of our air force in the country's defence.

"We should have told Sadat that at the start, and asked him frankly whether such an arrangement was negotiable. If he truly desired peace, he would have agreed to consider it. If his response had been negative, I would have stopped believing in the sincerity of his desire for peace.

"What did we do instead? We gave up all Sinai before negotiations began. He has that in his pocket; now he clamours about the Golan."

KATZ BELIEVES in granting autonomy to the Arabs in Judea, Samaria and Gaza — but under Israeli sovereignty.

"Once you give up sovereignty, or modify it, or share it with someone else, then the status of your army becomes that of an occupying force. Israel would be seen in the eyes of the world as a colonial power, like the British in India. There would be endless strife. And" (a thrust, it would appear, at Moshe Dayan) "it is an illusion to think that we as an outsider could keep the PLO out."

Well, what about giving up these territories altogether?

He summons up some illuminating facts from the historic past. After World War I, the British persuaded France to waive its request to administer Eastern Palestine (later called Transjordan). The British argument was given voice in a leader published by the London "Times" on September 19, 1919.

"The Jordan river," it said, "will *not do* (our italics) as Palestine's eastern boundary. Our duty as the Mandatory power will be to make Jewish Palestine not a struggling State, but one that is capable of vigorous and independent national life."

What happened? The French gave up Eastern Palestine — and the British promptly handed it over to the Arabs.

Now it is proposed to donate part of Western Palestine to the Arabs as well, narrowing the width of the Jewish state, in its most exposed section, to almost zero. "If we do not preserve a minimal defence capability, we face extermination," Katz states fiercely.

ARE THERE NOT small countries in Europe and elsewhere which are not really defensible and yet manage to survive — Belgium, for example, with a long border dividing it from France?

"Sure: but no Frenchman is saying that Belgium should be destroyed, that Luxemburg should be wiped out, that Monaco is a thorn in the side of Western Europe.

"A whole generation of Arabs have been taught just that about Israel. They are imbued with the idea that we must be thrown into the sea. They have been trying to do that ever since Jewish settlement began. Now they have changed their tactics, and are cajoling us into giving everything up of our own free will. What kind of people are we, to fall for that line?

Shmuel Katz

"If we possessed anything like the strategic depth available to the Soviet Union, we could afford to take risks. Even so, when the Russians defeated the German invader, they put no faith in peace treaties. They extended their security area in the West by annexing huge zones. They gobbled up entire nations. And what is more, the Western powers gave their blessing."

Katz cites another article (an opinion piece) in *The Jerusalem Post* which says that if Rafiah is the only obstacle to peace, it should be sacrificed. He grinned bitterly. "This is the salami system. Today people say: Must we go to war over Rafiah? Tomorrow it will be: Must we go to war over a few dirty streets in East Jerusalem?

"We hear the words 'peace treaty' and we are panting to sign — oblivious of the fact that before the ink is dry, our young people may have to fight again. But this time it will be in the streets of Tel Aviv.

"I have two pictures in my mind," he says. "One — familiar enough in the arguments that currently divide so many households — is of Neville Chamberlain stepping down from a plane, and waving his piece of paper. 'Peace in our time,' he called it.

"The other picture is of Chaim Weizmann telling UNSCOP that the Jewish community was ready for the partition of Palestine. He believed it would bring peace. I don't need to tell you what happened subsequently."

BUT WHAT IS the alternative to making peace with Sadat? Katz leans back.

"Kissinger was always going on about this business of alternatives. The alternative to a negotiated peace, he maintained, is war.

"You know, a nation is obliged to consider its future, and not just diplomatic convenience. It is tempting to give in, not to fuss, not to make difficulties — to be 'reasonable,' as the other side calls it.

"Look at the present position. President Carter was shown Israel's peace plan, giving away sovereignty (with minimal reservations), granting autonomy, inviting the involvement of Jordan (which I object to strongly), allowing the repatriation of Arab refugees (in contravention of the doctrine that they should be settled where they are). All this before negotiations had started, and without asking for anything in return, except a peace *which we also give*.

"And that is only a start. We are now told to be flexible, forward-looking. The Americans keep searching for ambivalent formulas — which give the Arabs everything, while allowing the Israelis to pretend they have given away nothing.

"No, the alternatives are not between peace and war. If peace is established under these terms, it will be peace without Israel." The Jewish state will not survive such drastic surgery.

"A peace *with* Israel — I don't suppose it can be concluded immediately. So we must possess ourselves in patience. Eventually, the Arab states will settle down to coexistence with us. They have their independence, Israel wants its independence too. They must learn to live with that."

YET STANDING FIRM creates other difficulties. What about the 1.5m. Arabs within the borders of Eretz Yisrael? Can we handle a minority of that size?

A problem, Shmuel Katz admits, and we must cope with it. Once Israel's existence becomes an accomplished fact, the nationalist dramatics will start to ebb. It will take time, but that is what will happen in the end.

The Arabs in this part of the world habitually opt for the regime they think is going to come out on top. When Hussein ruled in the West Bank, there was no talk of separate statehood. When the star of the PLO was in the ascendant, they suddenly all became ardent Palestinians.

Once it is clear that Israel is here for good and all, they will settle down to that too. The great majority will choose Jordanian nationality to begin with, if it is available. As time goes on, more and more will shift to Israeli citizenship — provided they are offered high living standards, equal conditions, civic rights, full employment and the rest.

"All this talk of a monolithic Arab bloc in the Knesset — I don't see it. Close to 15 per cent of the Israel population is Arab at this moment, so there should by rights be 16 Arab Knesset members.

"In fact, there is only half this number. Half the Arab electoral vote in effect for Jewish candidates — that is, they vote for the party whose programme they prefer, because they are concerned with wages and taxation and other day-to-day matters, not just with chauvinistic issues.

"Think of the alternative for them. If we went back to the 1967 borders the greatest sufferers would be the Palestinian Arabs. There would be a blood bath. The place would be torn by warring factions — as has been happening in the Lebanon.

"Most likely the Soviet Union would interfere, in support of the PLO or a PLO-like organization. King Hussein would probably lose his head in the process. Israel is the one sure protector for the Arabs of Palestine."

Of the truth of that final statement Katz is convinced.

Dry Bones

READERS' LETTERS

PEACE TALK ISSUES

To the Editor of The Jerusalem Post

Sir, — Recent hopeful signs to the contrary, the conditions for peace between Israel and the Arab world do not exist; after 30 years of almost continuous war, the Israeli population and even the "liberal dovish" Jewish population of the United States has little trust in Arab intentions and less trust in the stability of Arab regimes.

Thus peace talks will inevitably fail. It remains to be decided on what issues they will be allowed to fail. Here Israel is "on a bad wicket;" occupation of territory while we don't have enough population to settle what we have, is a bad issue. Can we really justify these territorial demands towards our own conscience, let alone the opinion of those other nations on whose economic and military support we depend?

After 30 years of war and continued hostile attitudes, we do have the right to lay down tough political conditions: complete demilitarization of all territories now occupied by Israel; fully open frontiers across which people and goods can move freely; barring from any government positions in Gaza and the West Bank all people who have advocated, or do advocate the abolition of the State of Israel; and, last, but not least, proof that Gaza and the West Bank will be given enough economic support by the Arabs to insure their viability.

On these demands, particularly the last one, the peace talks will fail, but they will then fail on issues which we can justify to our own conscience.

Unfortunately, Mr. Begin is too much locked into the old Revisionist territorial policies to advocate the above approach but is there any reason why others should be equally dogmatic?

MANFRED GANS
Leonia, New Jersey.

"NEVER" CAN BE LEGITIMATE

To the Editor of The Jerusalem Post

Sir, — For the sake of accuracy, I wish to offer a correction and a comment to Mr. Berthold Wyler's letter of January 19. If he will look at my interview with David Landau (January 6), he will note that what I actually said was, "Israel will never agree to Palestinian self-determination." I did not say "self-administration," as he asserts. Indeed, the very essence of the Government's peace proposal relating to the Palestinian Arabs, residents of Judea, Samaria and the Gaza District, is the offer of self-rule or, if you wish, self-administration.

Secondly, as an historian, I am fully conversant with the precariousness of the word "never" as an absolute of historical processes. But precisely as an historian concerned with the lessons of history, I have to emphasize the conviction that Judea, Samaria and the Gaza District must indeed never be surrendered to become a political and security time bomb. Were this to happen, the Jewish State would face an intolerable threat. In such a context, the word "never" is legitimate.

ELIAHU BEN ELISSAR
Director General,
The Prime Minister's Office
Jerusalem.

REACTIONARY APPROACH

To the Editor of The Jerusalem Post

Sir, — I read with utter disbelief your article of January 26, "Hammer promises to check 'Pro-Christian' radio show."

I checked to see if the radio programme advocated conversion to Christianity. But no, all that M.K. Shlomo Lorincz was objecting to was a show of sympathy to Christianity.

One wonders whether the esteemed M.K. advocates that we should broadcast programmes with an anti-Christian bias. Does he object when a Christian group displays pro-Israeli sympathy?

MARILYN BALL
Tel Aviv.

THE OLD CITY OF BEERSHEBA

To the Editor of The Jerusalem Post

Sir, — While we were happy to see the question of the development of the Old City of Beersheba brought to public attention (Zvi Arenstein's article of January 19), we were disturbed to find ourselves misquoted. We did mention the municipality and the problem of Smilanski Street, but not in the way attributed to us.

It would be wrong to accuse the municipality of "being against" residents in the Old City. That would be crediting it with a policy, and the fact is that, in so far as residents are concerned, it has no policy whatever. It simply allows events to take their natural course.

Families who want to sell their houses find that it is far more profitable to sell to companies and offices than to other families. Thus slowly, almost imperceptibly, our formerly residential area has become an area of warehouses, offices and shops. And the few remaining families often find themselves the lone residents on the block — without neighbours, and the only ones concerned that the street and sidewalks be clean. They become tempting prey to vandals and criminal elements. At no time has the municipality expressed concern about this situation; at no time has it ever spoken of rehabilitation through repopulation.

This brings us to the question of the development of Smilanski Street. None of the families in our area objects to art galleries. Ordinary art galleries are quiet enterprises and peaceful coexistence between them and resident families is entirely possible. But the art galleries on Smilanski Street lead a double life. At night, they function as night clubs that feature midnight movies, live and recorded music and communal singing. In our area, this causes an especially acute problem. Our houses have internal courtyards with walls common to more than one housing unit. The patrons of the clubs sit outdoors most of the year and we have our windows open at night most of the year. We thus cannot help but hear the noise. And most of us find it intolerable. There are few enough families in our area. If the Old City does indeed become the centre of night life, then our area may well become depopulated altogether.

We are now at a critical crossroads. The municipality can insist on night life in our area and risk having the clubs become islands of "culture" amid deserted warehouses, illegitimate enterprises and drug trafficking centres, or can recognize the importance of resident families and insist that all new development take into account the needs of resident families.

ZELDA AND DAVID NEWMAN
Beersheba.

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